



Daily Report

China

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CONTENTS

27 February 1991

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

UN Envoy Rebuts 'Lies' About Tibet [XINHUA]	1
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Gulf War Coverage

UN Security Council Adjourns Consultation 26 Feb [XINHUA]	1
Editorial: UNSC Should Discuss Cease-Fire [Hong Kong WEN WEI PO 27 Feb]	1
XINHUA Roundups Track Events, Statements	2
Ground Battle Becomes Crucial	2
Leaders React to Statement	3
Coalition Rejects Iraqi Offer	4
Impact of War on Sino-U.S. Relations Viewed [Hong Kong SOUTH CHINA MORNING POST 27 Feb]	5
Comparison—Envoy Proposes Peace Solution	7

Soviet Union

Qiao Shi, Ivashko Satisfied With Relations [XINHUA]	7
Closer Ties Planned [Hong Kong SOUTH CHINA MORNING POST 27 Feb]	7
Heihe City Border Trade Center Flourishes [XINHUA]	8

Northeast Asia

Li Ruihuan Meets Japanese TV Distributor [XINHUA]	8
Wang Qun Reads Greetings to Mongolian Congress [XINHUA]	9
S. Korean Experts To Run Reactor Safety Checks [Seoul YONHAP]	9
Comparison—Ochirbat Receives CPC Delegation	9

Near East & South Asia

Pakistan's Nawaz Sharif Continues Official Visit	10
Talks With Li Peng [XINHUA]	10
Pledges To Develop Ties [XINHUA]	10
Reaffirms Iraqi Withdrawal [XINHUA]	10

Sub-Saharan Africa

Envoy to Ghana Signs Cultural Exchange Accord [XINHUA]	11
Senegal President Hopes To Further Ties [XINHUA]	11
Trade Official Outlines Planned Investments [CHINA DAILY 26 Feb]	11

West Europe

More on Travels of Foreign Minister Qian Qichen	12
Meets King Juan Carlos [XINHUA]	12
Views 'Broad' Prospects for Ties [XINHUA]	12
Urges Early End to War [XINHUA]	12
Confers With Felipe Gonzalez [XINHUA]	13
Reaffirms 'Friendly Relations, Cooperation' [XINHUA]	13

Stresses New International Order [XINHUA]	13
Talks With Counterpart [XINHUA]	14
Trade Group To Promote British Business Ties [CHINA DAILY 27 Feb]	14
Europe-PRC Trade Seminar Opens in Brussels [XINHUA]	15
Article Views Changing European Situation [ZHONGGUO QINGNIAN BAO 9 Jan]	15

NATIONAL AFFAIRS

Political & Social

Jiang Zemin Visits Henan Armed Police Corps [JIEFANGJUN BAO 13 Feb]	19
Li Peng, Tian Jiyun Honor Patrol Boat Crew [Beijing Radio]	19
Song Ping, Qin Jiwei at Zheng Dongguo Memorial [XINHUA]	20
Ni Zhifu Addresses Trade Union Presidium [XINHUA]	20
Li Ruihuan Praises Film on County Party Secretary [XINHUA]	21
Publication of Economic Paper Halted [Hong Kong TANGTAI 23 Feb]	21
Paper Appeals [Hong Kong TANGTAI 23 Feb]	22
NPC Standing Committee Discusses Legislation [Beijing Radio]	23
Draft National Emblem Law [XINHUA]	23
Amendment to Civil Procedural Law [XINHUA]	24
Public Order Decision [XINHUA]	24
Penalties for Petty Theft [XINHUA]	25
Amendments to Foreign Concerns Tax Law [XINHUA]	25
Draft Conservation Law [XINHUA]	26
He Xin Named Strategic Research Institute Chief [Hong Kong SOUTH CHINA MORNING POST 27 Feb]	27
Article Warns Against Unrepentant 'Evildoers' [RENMIN RIBAO 21 Feb]	27
Party School Professors Write 'Pen Talks' [RENMIN RIBAO 18 Feb]	28
Future of Socialism	28
Marxism-Leninism's Role in Reform	29
Bourgeois Theory of Free Choice	30
Educating Young on Socialism	31
Article Urges Social Insurance Reform [JINGJI RIBAO 2 Feb]	31
Birth Control Planned for Transient Population [CHINA DAILY 27 Feb]	35

Military

Increased Agricultural, Sideline Production Ordered [XINHUA]	35
Chi Haotian Urges Cadres To Study Party Building [XINHUA]	36
Article Stresses Seizing Ideological Initiative [JIEFANGJUN BAO 9 Feb]	36
Jinan PLA Units Hold Air Defense Meeting [Jinan Radio]	37
Military Courts' Role in Grass-Roots Units [JIEFANGJUN BAO 7 Feb]	38
Lanzhou Region Promotes Cadre Exchanges [XINHUA]	38
Nanjing Region Commends Units, Individuals [Nanjing Radio]	38
Fujian Military District Relays Plenum Spirit [FUJIAN RIBAO 25 Jan]	39
Hainan's Deng Hongxun Addresses Military District [Haikou Radio]	39
Zhejiang Leaders Call on Model Army Companies [ZHEJIANG RIBAO]	40
Xinjiang Military Leaders Greet Soldiers [XINJIANG RIBAO 14 Feb]	41

Economic & Agricultural

National Meeting Held on Reform Achievements [XINHUA]	41
Article on New Round of Enterprise Contracts [JINGJI RIBAO 30 Jan]	41
Government Opens 11 New Trade Ports [XINHUA]	43
Economic Restructuring Achievements Viewed [XINHUA]	44
Economic, Social Development Statistics Reported [XINHUA]	45

REGIONAL AFFAIRS

East Region

Anhui Holds Discipline Inspection Meeting [Hefei Radio]	53
Zhejiang People's Congress Begins Session [Hangzhou Radio]	53

Central-South Region

Guangzhou Plan for Deepening Reforms Explained [XINHUA]	54
Hou Zongbin Views Wheat Field Management [Zhengzhou Radio]	54
Henan Propaganda Work Conference Concludes [Zhengzhou Radio]	55

Southwest Region

Tibet Party, Government Hold Work Conference [Lhasa TV]	55
Tibet Issues Circular on Spring Production [Lhasa TV]	57
Tibet Outlines Economic Development Plans [XINHUA]	57
Tibet Improves Court Work in 1990 [RENMIN RIBAO OVERSEAS EDITION 20 Feb]	58
Tibetan Pupils Receive Free Education [XINHUA]	59

North Region

Li Ximing Writes Inscription for Party School [Beijing Radio]	59
Attends Commendatory Meeting [Beijing Radio]	59
Beijing Municipality Plans Major Reforms [Hong Kong ZHONGGUO TONGXUN SHE]	60
Xing Chongzhi Visits Zhangjiakou Army Unit [Shijiazhuang Radio]	60
Hebei Province Intensifies Anticorruption Drive [XINHUA]	61
Hebei Reports Suggestions on 10, 5-Year Plans [Shijiazhuang Radio]	61
Hebei Radio To Readjust Various Broadcasts [Shijiazhuang Radio]	61

Northeast Region

Heilongjiang Improves Overall Social Order [XINHUA]	62
He Zhukang on Ideological Construction [Changchun Radio]	62
Jilin's Shuangliao Station Begins Broadcasting [Changchun Radio]	63
Jilin Radio, TV Ventures in 7th Five-Year Plan [Changchun Radio]	63
Liaoning Leaders Discuss Improving Social Order [Shenyang Radio]	63
Liaoning To Hold CPPCC Session 7 March [Shenyang Radio]	64

Northwest Region

Gu Jinchi Inspects Longxi, Weiyuan Counties [Lanzhou Radio]	64
Yin Kesheng Addresses Standing Committee [Xining Radio]	65
Xinjiang People's Congress Committee Meets [Urumqi TV]	65

TAIWAN

Hao Po-tsun Addresses Meeting of Entrepreneurs [Taipei Radio]	66
Outlines Development Plan [CNA]	66
Explains Thrust of Reunification Goals [CNA]	66
National Assembly To Hold Special Session [Taipei Radio]	67
Representative Grants Interview on Economic Growth [CNA]	67
Mideast Oil Supplies Unaffected by Ground War [Taipei International]	67
U.S. Official To Hold Trade Talks in March [CNA]	67
Prolongation of Officer Service Disallowed [Taipei International]	68
Taiwan Signs Cooperation Accord With UAE [CNA]	68
President Greet's Dominican Republic Leaders [CNA]	68

HONG KONG & MACAO

Hong Kong

Hong Kong Businessmen Tried in Guangzhou [MING PAO 27 Feb]	69
Lu Ping Writes on Hong Kong, Macao Stability [RENMIN RIBAO OVERSEAS EDITION 14 Feb]	69

Macao

Beijing Announces Support for New Airport [HONGKONG STANDARD 27 Feb]	70
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General

UN Envoy Rebuts 'Lies' About Tibet

OW2602123191 Beijing XINHUA Domestic
Service in Chinese 0809 GMT 26 Feb 91

[Text] Geneva, 25 Feb (XINHUA)—Chinese representative to the United Nations Fan Guoxiang today gave an account of the historic changes that have taken place in political, economic, and other fields in Tibet, China over the past 40 years to delegates attending the 47th Session of the UN Human Rights Committee here. He presented a multitude of facts to refute lies about the so-called Tibetan issue.

Fan Guoxiang said: A handful of separatists and some people with ulterior motives abroad have fabricated numerous sensational lies about China's Tibet Autonomous Region in an attempt to hoodwink public opinion and fish in troubled waters. History has mercilessly proved that lies, however, even after being repeated 1,000 times, will remain lies, and cannot stand scrutiny against the facts.

Fan Guoxiang noted: This year is the 40th anniversary of Tibet's peaceful liberation. Under the central government's leadership, and with the assistance of people throughout the nation, people of all nationalities in Tibet have closed ranks and waged common struggles over the past four decades to conduct democratic reforms, institute political autonomy in ethnic areas, carry out socialist construction and reform, and open to the outside world. This has brought earth-shaking historic changes to Tibet in political, economic, and other spheres.

Citing numerous facts, Fan Guoxiang went on to say: Politically, the people of Tibet have become masters of their own affairs, and economically, they have made tremendous progress. Tibet's national culture has been protected, inherited, and carried forward. The policy of religious freedom has been put into effect. The Tibetan population in the region has doubled in the past 40 years, growing from over 1 million in 1951 to more than 2 million today.

In conclusion, Fan Guoxiang stated: It is hoped that this account on Tibet's actual situation will be helpful to those who are genuinely concerned about development in the Tibet Autonomous Region and who are willing to understand the reality.

Gulf War Coverage

UN Security Council Adjourns Consultation 26 Feb

OW2702012591 Beijing XINHUA in English
2133 GMT 26 Feb 91

[Text] United Nations, February 26 (XINHUA)—The U.N. Security Council adjourned its consultation on the Gulf situation this afternoon, but decided to meet again if necessary.

Diplomatic sources said it was agreed that the president of the council will continue bilateral consultations with individual members and the two parties to the Gulf crisis, Kuwait and Iraq. The Soviet Union was also asked to carry on its contact with Iraq concerning the implementation of all the 12 Security Council resolutions on the Gulf crisis.

David Hannay, British ambassador to the United Nations, told reporters after the consultation that a large part of the discussion today was on the question of the need for Iraq to accept and comply with the other 11 resolutions.

"A rather large majority of the council clearly feel that this is an essential element in our further deliberations," he said.

The U.N. Security Council adopted 12 resolutions on the Gulf crisis touched off by Iraq's invasion of Kuwait on August 2 last year.

So far Iraq has expressed willingness to accept the first one, Resolution 660, which calls for its immediate and unconditional withdrawal.

The United States and some other countries insist that Iraqi President Saddam Husayn should express his acceptance of all the 12 resolutions clearly and publicly.

A Cuban draft resolution urging a cease-fire was not presented to the consultation today although copies of the draft have been circulated among member states and U.N. reporters.

Editorial: UNSC Should Discuss Cease-Fire

HK2702060491 Hong Kong WEN WEI PO in Chinese
27 Feb 91 p 2

[Editorial: "The Security Council Should Discuss a Cease-Fire as Quickly as Possible"]

[Text] Yesterday Saddam Husayn finally announced on television that Iraq would immediately and unconditionally withdraw its troops from Kuwait in accordance with UN Resolution 660 and return to the Iraqi positions before 1 August 1990. Meanwhile Iraqi troops stationed in Kuwait are withdrawing to the north, leaving behind their impedimenta and weapons. Even officers and soldiers of the multinational coalition forces think that Iraq really has the intention to withdraw. Information from the battlefield indicates that there is basically no strong resistance from the Iraqi troops in Kuwait; they are either withdrawing or have surrendered.

Saddam did not give a definite answer to the deadline set by the United States for Iraq to withdraw unconditionally in the early hours of 24 February. The U.S.-led multinational forces immediately launched a ground offensive. In such circumstances, being aware of his inability to resist any longer, Saddam yesterday hurried to the television studio and announced that Iraq would "complete its unconditional troop withdrawal" that day, faster than the seven-day limit set by the U.S. ultimatum.

However, at 1100 yesterday U.S. President Bush made a television speech rejecting Saddam's withdrawal plan, claiming that Saddam's withdrawal "is not a real withdrawal" and that Saddam "did not mention UN resolutions" or the "release of war prisoners." Bush announced that U.S. troops would not halt their ground military movements. British Prime Minister John Major pointed out that the allied forces had raised their conditions for an Iraqi troop withdrawal; Iraqi troops must lay down their arms on the battlefield or surrender.

Now the battlefield has expanded. The U.S.-led multinational forces have penetrated into Iraq in an attempt to intercept and destroy the Iraqi Republican Guard during its retreat. Some U.S. political figures have revealed that armed forces composed mainly of Arabs will be stationed in Iraq after the war. By "mainly," is meant that U.S. and British troops will also be included, but they will not account for a majority. When talking about the direction regarding U.S. and British troops after the war, British Prime Minister John Major said this would depend on the future situation.

There are indications that the liberation of Kuwait is a foregone conclusion. Not being satisfied with this target only, the United States will make further efforts to destroy Iraq, continue its military operation, remove the Saddam regime, station its troops in Iraq, and foster a new pro-Western government. The United States is taking advantage of the historical conflicts and religious contradictions in the Arab world to divide Iraq and turn it into another Lebanon, with the aim of diverting attention. It does not wish to find a real solution to the Israeli occupation of Arab territories or the establishment of a Palestinian state. In such circumstances, the Middle East will remain in a no-war-no-peace situation, which will be favorable to the United States in controlling strategic, oil-producing sites.

An Iraqi representative to the United Nations has briefed the UN Security Council [UNSC] on Iraq's withdrawal. UN Secretary General Perez de Cuellar considered Iraq's withdrawal a good thing. The next step the Security Council should take is to preserve peace on the Iraqi-Kuwaiti border. Earlier he indicated that all the UN Security Council resolutions are aimed at forcing Iraqi troops out of Kuwait, rather than destroying Iraq.

The Soviet Union has urged the Security Council to discuss the Persian Gulf war situation and to call on the relevant sides to halt the war. The Middle East issue should be resolved according to the UN Security Council resolutions, otherwise this region will always remain a powder keg. Chinese Foreign Minister Qian Qichen, who is currently visiting West Europe, also pointed out: The Persian Gulf war must end as soon as possible. Iraq must take concrete action of withdrawal, the Persian Gulf issue must be politically resolved according to the framework of the 12 Security Council resolutions, and the Security Council must play an important role in bringing about a cease-fire in the Persian Gulf. Now many West European nations and nonaligned countries incline

toward mediation by the Security Council for a cease-fire, so as to reduce casualties and losses. Only after a cease-fire will the Security Council be able to implement the relevant resolutions, including demanding Iraqi compensation for the losses caused by the war, and the release of prisoners of war.

In short, whether to bring about a cease-fire or continue the killing is, in the long run, a question of whether to settle the Middle East issue fairly and reasonably or to create a more complicated and turbulent situation. This will be the focus of serious debate at the next Security Council session. If the United States stalls in the war, it will face heavier international pressure and the allied forces will also split. The United States dispatched its troops under the Security Council resolutions, and there is no reason for it not to be restricted by these resolutions. The Security Council should open a session to discuss the implementation of the 12 resolutions on the Persian Gulf issue according to the opinions of the majority.

XINHUA Roundups Track Events, Statements

Ground Battle Becomes Crucial

OW2702042691 Beijing XINHUA in English
0308 GMT 27 Feb 91

["Roundup: Ground Battle Enters Crucial Stage (by Zhu Jiefei, Guo Xiaoyong)"]—XINHUA headline]

[Text] Riyadh, February 26 (XINHUA)—The Gulf land war has entered into its crucial stage since its outbreak three days ago as the U.S.-led allied forces were fighting with Iraq's elite Republican Guard in the suburbs of Kuwait City, around Kuwait International Airport and engaged in tank battle with Iraqis outside Basra.

The Kuwaiti Government spokesman announced Tuesday afternoon in Dhahran, eastern Saudi Arabia, that the allies had seized Kuwait City where Kuwait national flags were flying in the main streets.

The spokesman for the U.S. Command Brigadier General Richard Neal told a news briefing here this evening that the allied forces had captured a total of 30,000 Iraqi soldiers, destroyed 400 tanks and wiped out or put out of action 21 Iraqi divisions in the past three days of fighting.

The allied forces had controlled half of the Kuwaiti territory, he said, adding that only four U.S. soldiers died and 21 injured so far since the ground offensive began.

According to the spokesman for British Command in the Gulf, one British soldier died today, but the allied spokesmen all declined to give the number of Iraqi casualties.

Neal said that the allied forces had cut off the retreat ways for Iraqi troops in Kuwait which will be wiped out on the spot unless they surrendered in the coming one or two days.

Iraqi President Saddam Husayn, in a speech on Baghdad radio, said Tuesday morning that Iraqi troops will complete their withdrawal from Kuwait in 24 hours. He maintained that the pullout was already under way and said Kuwait was no longer part of Iraq from last night.

President Saddam said the victory was sweet and he urged the Iraqis to fight on if the allies maintained their attack.

However, Neal said Iraq forces were in a complete rout.

Meanwhile, the Kuwaiti Government in Taif announced on radio that it will return to Kuwait City as soon as possible and a state of martial law will exist in all parts of Kuwait for three months in a bid to guarantee the rebuilding of home and implementation of internal reorganization. Kuwaiti Prime Minister Sa'ad al-'Abdallah al-Salim al-Sabah will be provisional Executive Chief of Kuwait City.

A Kuwait official, demanding [to remain] anonymous, said in a telephone interview with XINHUA that the Kuwaiti Government will invest 50-60 billion in rebuilding with 1.25 billion in internal shake-up.

Leaders React to Statement

OW2702081691 Beijing XINHUA in English
0611 GMT 27 Feb 91

[XINHUA Gulf roundup at 0600 GMT: Iraq's Withdrawal Welcomed Widely While War Goes on" (by Zhang Yan)]—XINHUA headline]

[Text] Beijing, February 27 (XINHUA)—Iraqi President Saddam Husayn's decision to withdraw from Kuwait has triggered positive reactions from various countries, but the U.S.-led forces continued their fighting against Iraq and insisted that Iraq must comply [with] all the U.N. resolutions.

Iraqi President Saddam Husayn Tuesday ordered Iraqi troops on Baghdad radio to pull out from Kuwait by the end of the day, adding that from Monday night, Kuwait was no longer part of Iraq.

Meanwhile, Soviet President Mikhail Gorbachev received a message from Saddam which contains a pledge of Iraq's immediate withdrawal from Kuwait.

Libya's Foreign Minister Ibrahim Muhammaed al-Bishari told the ambassadors of France, Italy and Spain that continued attacks against Iraq by the allied forces were unacceptable.

Jordanian King Huysayn Tuesday called for stepping up diplomatic efforts for a ceasefire in the Gulf when he summoned the ambassadors of the five permanent member states of the U.N. Security Council.

Jordanian Information Minister Ibrahim 'Izz-al-Din said earlier, "Jordan has always advocated an Iraqi withdrawal from Kuwait."

A Pakistan Foreign Office spokesman described Saddam's statement as a "major step to end the conflict in

accordance with the Security Council's resolutions." The spokesman hoped that the U.N. Security Council, which was now discussing the Gulf situation, would take steps to restore peace in the region.

Syrian Foreign Minister Faruq al-Qutaybi told a cabinet meeting Tuesday that the Iraqi people's political choice of their future should be respected.

Sudanese Premier Lt. Gen. 'Umar Hasan Ahmad al-Bashir said that the war launched by the United States and its allies "does not at all aim at liberating Kuwait, but at destroying Iraq."

Austrian Prime Minister Franz Vranitzky told reporters that the Iraqi withdrawal might lead to "a new significant developments in the Gulf situation. Austrian Deputy Prime Minister Josef Riegler and Foreign Minister Alois Mock urged Baghdad to fulfill all related U.N. resolutions.

The foreign ministers of Britain, France and Germany are expected to visit Washington this week for talks with U.S. leaders on the Gulf war and post-war measures.

British war cabinet made a decision Tuesday that Iraq must abide by all U.N. resolutions and leave equipment behind or the war in the Gulf would continue.

French chief diplomatic spokesman Daniel Bernard said Saddam was finally "talking seriously" and his speech deserved "a serious examination."

German Chancellor Helmut Kohl said he "fully understands" the U.S. policy on continuing the ground campaign while urging Iraq to accept all the U.N. resolutions concerned.

Belgian Foreign Minister Mark Eyskens described Saddam's promise as "a step in the right direction," but said it "raised a number of fundamental questions."

Denmark Prime Minister Poul Schluter said Saddam's announcement of withdrawal from Kuwait was a "positive step but still not enough." He urged the Iraqi leader to declare "clearly and responsibly" his intention to accept all the U.N. resolutions and to guarantee that Iraqi military machine would be no more a threat to its neighbors.

Chinese Foreign Minister Qian Qichen, who was on his trip to Spain, said that China hopes the Gulf war can be ended as soon as possible, noting the need to solve the Gulf conflict in accordance with the U.N. resolutions.

A senior Soviet military official said the allied action in the Gulf has been beyond what the U.N. Security Council resolutions authorised, saying the aim of the allied attack on Iraq is not only to defeat Iraqi troops but to eliminate its military and economic potential.

Nicaraguan Assembly member Reinaldo Antonio Tefel said the U.S.-led multinational forces have overstepped the U.N. resolutions by trying to destroy Iraq.

But Kuwaiti Ambassador to Brazil Faysal al-Ghais said that the Iraqi offer to pull out from Kuwait is intended to "gain more time to organize a maneuver aimed at dividing the coalition."

Egypt, which committed the largest Arab contingent in the U.S.-led allied forces, expressed distrust and skepticism over Saddam's decision to evacuate Kuwait. Egyptian Foreign Minister 'Ismat 'Abd-al-Majid said mandating an unconditional withdrawal under a U.N. Security Council resolution would not be enough to end the Gulf war, adding that it must be accompanied by 11 other U.N. resolutions adopted since Iraqi invasion of in August 2, 1990.

Meanwhile, Iraqi President Saddam Tuesday visited some of the Iraqi army units and called on his troops to "repel any aggressive attempt" by the U.S.-led multinational forces.

The Pentagon said that the Seventh Corps of the U.S. Army have attacked and defeated a Republican Guard division in western Kuwait.

The official KUWAIT NEWS AGENCY (KUNA) reported that the Kuwaiti resistance have controlled the entire Kuwait City.

White House spokesman Marlin Fitzwater said that the United States continues the fighting against Iraqi troops because Saddam's statement on withdrawal contains nothing new. Earlier, the United States demanded Saddam "personally and publicly" agree to an unconditional withdrawal from Kuwait to stop the war against Iraq.

Coalition Rejects Iraqi Offer

OW2702005291 Beijing XINHUA in English
2325 GMT 27 Feb 91

[XINHUA Gulf roundup at 23:00 GMT: Coalition Rejects Iraqi Offer, Soviets Appeal for Ceasefire (by Wang Xingqiao)]—XINHUA headline]

[Text] Beijing, February 26 (XINHUA)—The coalition leaders today rejected Saddam's offer to withdraw his troops from Kuwait while the Soviet Union called on the UN Security Council to work out a ceasefire for the massive ground war in the Gulf.

In a speech on Baghdad radio today, Iraqi President Saddam Husayn said: "Our great armed forces will continue its withdrawal from Kuwait and complete it on this day."

Meanwhile, Soviet presidential spokesman Sergei Grigoryev confirmed that Mikhail Gorbachev had received a message from Saddam Husayn, which contained a pledge of Iraq's immediate withdrawal from Kuwait.

In Moscow, Soviet Deputy Foreign Minister Aleksandr Belonogov said a ceasefire is necessary for the Iraqi withdrawal. He urged the UN Security Council to make due assessment of the new development in the Gulf and play a "constructive role" in bringing about an earlier possible end

to the Gulf war and facilitating the implementation of UN Security Council Resolution 660.

In Washington, President George Bush rejected Iraqi Saddam Husayn's offer and said that the offensive campaign will continue according to schedule until the Iraqi troops lay down their arms.

"He (Saddam) is not withdrawing. His defeated forces are retreating. He is trying to claim victory in the midst of a rout. And he is not voluntarily giving up Kuwait."

White House spokesman Marlin Fitzwater said the United States will continue the fighting against the Iraqi troops because Saddam's statement on withdrawal "changes nothing".

In London, British Prime Minister John Major said: "Slowing down the military assault is likely to put our servicemen and our troops at risk and I'm certainly not prepared to do that."

Major stressed that the war would go on until the United Nations resolutions are fully met. "We are going to continue the conflict until we are certain that he has been defeated," he told reporters outside No. 10 Downing Street.

In New York based UN headquarters, the Security Council began a formal meeting late Monday night at the request of the Soviet Union.

Soviet Ambassador Yuliy Vorontsov called for the meeting to submit the content of the Baghdad radio announcement as an official Iraqi proposal.

Kuwaiti Ambassador Muhammad al-Hasan said on entering the meeting that his country rejected the new Iraqi proposal because it did not include all 12 Security Council resolutions.

The United States insists Iraqi President Saddam Husayn must "personally and publicly" agree to withdraw his troops unconditionally.

Chinese UN Ambassador Li Daoyu said today that China welcomes Iraq's announcement of withdrawing from Kuwait and hopes that Iraq will take immediate action and complete the withdrawal in the shortest period.

The Chinese ambassador made these remarks Monday night at the closed-door meeting of the UN Security Council.

The UN Security Council adjourned its consultation on the Gulf situation this afternoon, but decided to meet again if necessary.

Diplomatic sources said it was agreed that the president of the council will continue bilateral consultations with individual members and the two parties to the Gulf crisis, Kuwait and Iraq. The Soviet Union was also asked to carry on its contact with Iraq concerning the implementation of all the 12 Security Council resolutions on the Gulf crisis.

The UN Security Council adopted 12 resolutions on the Gulf crisis touched off by Iraq's invasion of Kuwait on August 2 last year.

So far Iraq has expressed willingness to accept the first one, Resolution 660, which calls for its immediate and unconditional withdrawal.

The United States and some other countries insist that Iraqi President Saddam Husayn should express his acceptance of all the 12 resolutions clearly and publicly.

On the battlefield, the Kuwaiti resistance have controlled Kuwait City, the official Kuwait news agency (KUNA) reported today.

Inhabitants in the capital, through fax to the KUNA, said that residents poured into the streets in jubilation, despite repeated calls from the Kuwait resistance radio for them to stay at home.

The Kuwaiti resistance have seized control of the entire city and its suburbs, as well as police stations in the region.

Kuwaiti citizens in Riyadh took to the street to celebrate the good news.

An official in the local Kuwaiti press center told XINHUA that he will pack up in the evening to prepare for an early return to his homeland.

Earlier, the U.S. Defense Department said that the Iraqi Army is "in full retreat" in Kuwait and southern Iraq theater.

At a regular news briefing, which has been suspended since the ground war began on February 22, Lt. Gen. Thomas Kelly, director of operations for the Joint Chiefs of Staff, said 21 Iraqi divisions in the theater have been destroyed or rendered combat-ineffective.

"The Iraqi Army is in full retreat, although there is still some fighting going on," Lt. Gen. Kelly said. "But there has not been a great tank battle."

"There have been tank engagements with the Republican Guard. In each case, the result has been a very positive one for us," he said.

The Army general also said that the U.S. and its allied troops had not yet entered Kuwait City, although the Iraqi forces are leaving, and added "I think that's going to occur shortly."

The Iraqis have not used chemical weapons, although the allied forces remain on alert for them, he said.

Over 400 Iraqi tanks and numerous other vehicles have been destroyed since the ground war began, he said. More than 30,000 Iraqi soldiers have been captured, he added.

On the U.S. side, Lt. Gen. Kelly said four U.S. soldiers were killed in action, 21 wounded in action and two missing in the ground war.

But in the Iraqi Scud missile attack yesterday, there were 28 U.S. soldiers killed and 100 injured, he said.

Since the Gulf war began on January 16, Lt. Gen. Kelly said, there were altogether 55 U.S. soldiers killed, 155 wounded, 30 missing and nine as prisoner of war.

But the U.S. and its allied forces have, since then, destroyed 2,085 Iraqi tanks, which represents about 50 percent of the total Iraqi tanks; 962 armored vehicles, about one-third; 1,505 artillery pieces, or about 48 percent; and the Iraqi Air Force has lost 103 aircraft, he said.

Impact of War on Sino-U.S. Relations Viewed

HK2702014191 Hong Kong SOUTH CHINA
MORNING POST in English 27 Feb 91 p 15

[By Willy Wo-lap Lam]

[Text] Sino-American relations could become a major casualty of the Gulf War. Washington's apparent desire to obliterate the Iraqi war machine and to establish itself as the dominant power in the Middle East has buttressed the argument of hard-liners within the Chinese Communist Party (CCP) that China is being threatened by "American hegemonism".

Futurologist Mr He Xin, 41, a close adviser to the Prime Minister, Mr Li Peng, has emerged as a chief spokesman of this conservative, anti-American faction.

In the past fortnight, senior cadres in government, diplomatic, academic and media circles have been asked to study an internal document penned by Mr He entitled "The Gulf War and China".

For Mr He, a literary critic turned global strategist, Washington's goal in unleashing Desert Storm is simple: world domination.

"The U.S. is trying to use the absolute military superiority which it commands at the present moment to annihilate the Iraqi regime and to intimidate and control the problem-plagued Arab Peninsula," he said.

"Its ultimate goal is the control of 40 to 60 percent of the world's energy resources, and to manipulate oil-generated excess capital through puppet regimes."

The "Yankee imperialism" is all the more alarming given the seemingly inevitable decline of Soviet power.

"The status of the USSR in today's world strategy fails even to match that of tiny Iraq," Mr He argued.

China's fastest-rising theoretician noted that Beijing would suffer from the Gulf War on two levels.

First, oil prices would fall, directly eroding China's export earnings. Moreover, the war will exacerbate a recession in the country's major markets. Much more important, however, is the fear that Washington will move next to "tame" China.

Mr He put forward an apocalyptic vision that after winning the Gulf war, the U.S. would "move its forces eastwards" to establish an Asian-Pacific empire.

"The potential adversaries on America's list are Japan and China: its competitor in the area of economics and technology is Japan. But what lies in the way of the American goal of world unification is China."

Mr He is, of course, whipping up the febrile anti-Americanism that has gripped Maoist ideologues in the wake of accusations that American-inspired "peaceful evolution" tactics were behind the pro-democracy movement of 1989.

"Out of its global strategic goal and the needs of its own security, the U.S. has decided that it must thoroughly destroy the existing order of China and retool China's power (structure)", he claimed.

"Isolating China, blockading China, disintegrating it through (instigating) internal disorders, and eventually rendering China innocuous through democratising it has been and will be a strategic goal that the U.S. will steadfastly continue to implement."

Since having become Mr Li's confidante after the Tiananmen Square crackdown, Mr He has been dismissed as a "quack" and "amateur" by many Chinese social scientists.

However, there is some evidence that his blatant—and simplistic—anti-Americanism may already have been translated into policy.

While the Chinese press, including the PEOPLE'S LIBERATION ARMY DAILY, has praised American weaponry in their reporting of the war, Beijing's senior propagandists have ordered a low-key coverage by the media in an attempt to cool the "pro-Allies" sentiments of the populace.

And in an effort to deny Washington its "ultimate victory", Beijing had until the outbreak of the ground offensive actively supported efforts by the Soviet Union and other countries to broker a cease-fire. In spite of Mr He's cynical assessment of the Soviet Union's dwindling prowess, many in the CCP would like to revive some form of a pact with Moscow against U.S. "imperialism"—provided, of course, that the conservative faction rather than radicals like Mr Boris Yeltsin wins out in the ongoing struggle in the Soviet Union.

Defence Minister Mr Dmitri Yazov is due in Beijing next Monday for talks on military co-operation, including arms sales to China.

The Soviet Party's Deputy General Secretary, Mr Vladimir Ivashko, was in Beijing yesterday to lay the groundwork for CCP boss Mr Jiang Zemin's tour of the Soviet Union in May.

Mr Jiang's brief: to evaluate the chances of a "conservative restoration" in Moscow and to cement ties with the hard-liners.

For a "substitute" to investment and technological aid from the U.S., "neoconservative" theorists such as Mr He are turning to Japan and Southeast Asia.

Diplomats have since early 1990 observed a pronounced "tilt" towards Japan and Asia in China's foreign policy.

Late last year, Mr Li dispatched Mr He to Tokyo with a view to "learning lessons" from Japan's economic take-off. Since his return, Mr He has been contending that Japanese-style "state capitalism" is not that different from Chinese-style socialism.

The neo-conservatives' move to re-orientate Chinese diplomacy, however, may be blunted by the moderate—and often pro-West—wing of the CCP, which is still headed by patriarch Mr Deng Xiaoping.

Soon, after the June 4 massacre, Mr Deng had upbraided American visitors for Washington's "deep involvement" in the "turmoil".

However, forever a pragmatist, Mr Deng—who had after all endorsed the "pro-American policy" of former party chiefs Mr Hu Yaobang and Mr Zhao Ziyang—has issued caveats against damaging the hard-won improvements in the Sino-American relationship that had taken place since late 1990.

In a recent internal speech, Mr Deng warned against over-ambitious projections of China's weight on the international scene.

"Do not harbour unrealistic illusions about China's might," he reportedly said. "People have talked about the triangular relationship between China, the U.S. and the USSR. But China does not yet qualify as one leg of the triangle."

The patriarch said the country's priority remained domestic: economic construction. And in its diplomacy, including policy towards the Gulf, China should guard against needlessly offending the West.

In the wake of reports about U.S. victories, in the ground offensive, Beijing seems to be concentrating its efforts on getting a piece of the action in the "rebuilding" of Kuwait and Iraq rather than hammering out at American "hegemonism".

In his paper, Mr He wrote that if Iraq could withstand the sorties of the Allies for one month, this would amount to a Waterloo for Washington.

Following this argument to its logical conclusion, China should be funnelling covert aid, including selling weapons, to Iraq to effect the fall of what Mr He has called a "paper tiger". And in recent months, there has been much speculation that Beijing is indeed doing so through Tehran and Pyongyang.

In spite of repeated sightings recently by Western diplomats of Iranian transport planes in Chinese airports, there is no reason to believe Beijing has been replenishing Saddam Husayn's arsenal.

Comparison—Envoy Proposes Peace Solution

HK2602094391

Beijing RENMIN RIBAO in Chinese on 25 February 1991 publishes on page 6 a XINHUA report by Li Hongqi, entitled "Our Country's Special Envoy Yang Fuchang, Finishing His Four-Nation Tour, Sets Forth China's Proposal for a Peaceful Settlement of the Gulf Crisis." The RENMIN RIBAO item has been compared with the XINHUA English version published in the 25 February China DAILY REPORT, pages 3-4, revealing the following variations:

Page 4, column one, paragraph three, only sentence, the RENMIN RIBAO version reads: ...leaders and foreign ministry officials in the... (adding "ministry");

Paragraph six, only sentence, the RENMIN RIBAO version reads: ...adding that all parties associated with the war should demonstrate the desire for peace and that they should not lose any other opportunity for peace, (rewording);

Last paragraph, only sentence, the RENMIN RIBAO version reads: ...an early date.

According to another report, Iranian President Hashemi-Rafsanjani met with Yang Fuchang, special envoy of the Chinese Government and vice foreign minister, on 23 February. The former felt happy about China's energetic diplomatic efforts to seek a peaceful solution to the Gulf crisis. Iranian Foreign Minister Velayati also met Yang Fuchang on the same day.

Yang Fuchang held talks with Iran's Deputy Foreign Minister Ala-ed-Din Borujerdi in Tehran on 23 February, (adding additional paragraphs)

Soviet Union

Qiao Shi, Ivashko Satisfied With Relations

OW2702103391 Beijing XINHUA in English
1015 GMT 27 Feb 91

[Text] Beijing, February 27 (XINHUA)—Leaders of the Chinese and Soviet Communist Parties held talks here today and expressed satisfaction with the development of relations between the two countries and two parties over the past two years.

Qiao Shi, a member of the Political Bureau Standing Committee of the Central Committee of the Communist Party of China (CPC), and V.A. Ivashko, deputy general secretary of the Central Committee of the Communist Party of the Soviet Union (CPSU), attended the talks.

According to the International Liaison Department of the CPC Central Committee, the two sides exchanged views on issues of common concern in a friendly atmosphere.

Qiao said China is happy about the development of relations between the two countries and two parties since Soviet leader Mikhail Gorbachev's visit to China in 1989.

He said he believes that such relations will continue to develop on the basis of the four principles of independence, complete equality, mutual respect and non-interference in each other's internal affairs that guide party-to-party relations, and the five principles for peaceful co-existence that guide relations among countries.

Ivashko said relations between the two countries and two parties have developed rapidly in the past two years, which is in accord with the fundamental interests of the two peoples.

He once again conveyed Gorbachev's invitation to CPC General Secretary Jiang Zemin to visit the Soviet Union and expressed the hope that the visit would promote relations between the two countries and two parties to a new stage.

Qiao expressed thanks for the invitation.

During the talks, Qiao briefed Ivashko on China's present situation in carrying out the reform and open policies. He said that taking the road of socialism with Chinese characteristics is in essence to integrate the fundamental principles of Marxism with the practice of China. China's basic line for building socialism is to center on the development of productive forces; to adhere to the four cardinal principles of socialism, party leadership, people's democratic dictatorship, and Marxism-Leninism and Mao Zedong Thought, and to reform and opening to the outside world.

Ivashko also briefed Qiao on the Soviet Union's reform and the CPSU's policies.

He said the Soviet Union's reform is an objective and unavoidable process. The CPSU will adhere to its socialist choice, the path of the October Revolution, the thought of Lenin, the party's objective and political leadership, and will stand for a restructured union.

On behalf of the CPSU Central Committee and its Control Commission, Ivashko invited Qiao to visit the Soviet Union, which the latter accepted in principle.

Closer Ties Planned

HK2702015191 Hong Kong SOUTH CHINA
MORNING POST in English 27 Feb 91 p 8

[By Willy Wo-lap Lam]

[Text] Sino-Soviet relations are poised for a major step forward following the visits to Beijing by the deputy Soviet party boss, Mr. Vladimir Ivashko and the Defence Minister, Mr. Dmitriy Yazov.

Diplomats in Beijing said the Chinese would make use of the opportunity to promote bilateral ties, including military cooperation.

Beijing is anxious to gauge the results of the ongoing power struggle among different factions at the Kremlin.

Analysts say the hardline factions in both countries, especially the military, have a common interest in thwarting "American expansionism," which they perceive to be on the rise following Washington's expected victory in the ground war against Iraq.

Discussions on the Gulf between the Soviet and Chinese parities are likely to concentrate on the "reconstruction" of Iraq and Kuwait, the international conference on the Middle East that may be held after the end of the war, and how to prevent the region from being dominated by a single power.

Mr. Ivashko, who arrived in Beijing yesterday for a five-day visit, will meet Chinese Communist Party (CCP) chief Mr. Jiang Zemin and other senior leaders.

One of his major goals is to lay the ground work for the visit to Moscow in May by Mr. Jiang.

While conferring with a member of the Chinese Politburo Standing Committee, Mr. Qiao Shi, yesterday, Mr. Ivashko said he was glad to be travelling abroad in his capacity as party deputy secretary-general.

"I am glad that the first country that I visit is China", the Chinese media quoted him as saying.

Diplomatic sources said Mr. Ivashko would reassure the Chinese leadership that President Mr. Mikhail Gorbachev would tide over the political and economic difficulties engulfing the country, and that the Soviet Union would stick to the socialist road in spite of its commitment to market reforms.

Mr. Ivashko and his hosts are also expected to go over ways to promote party-to-party ties, which had only been resumed when Mr. Gorbachev visited Beijing in May 1989.

Of perhaps more significance is the visit next Monday by Mr. Yazov, who was first scheduled to have called on China last October.

Mr. Yazov's trip capped a string of military delegations which had been going back and forth between the two countries since the highly publicised visit to Moscow last summer by the vice-chairman of the CCP Central Military Commission, Mr. Liu Huaqing.

During Mr. Liu's visit, the Soviets agreed in principle to sell China sophisticated aircraft and avionics, including two dozens SU 27 jet fighters and several MiG 29s.

Diplomatic sources said that late last year senior officials from the Equipment Procurement Department of the Chinese army as well as the Ministry of Aeronautics and Astronautics had also made unpublicised visit to Moscow.

A diplomatic source said: "Theoretically, Mr. Yazov will finalise the weapons deal already fixed by Mr. Liu."

Heihe City Border Trade Center Flourishes

OW2702102191 Beijing XINHUA in English
0903 GMT 27 Feb 91

[Text] Harbin, February 27 (XINHUA)—Heihe City, once a remote sleeping town bordering the Soviet Union, has become a busy trading center all the year round.

Liu Xingquan, deputy director of the Heihe Border Trade Bureau, said that after two decades of suspension, the first border trade deal was concluded September 2, 1987, when a trading company in Heihe exchanged 208 tons of watermelons for 306 tons of chemical fertilizer with a company from just over the border in Blagoveschensk.

In 1988 Heihe handled 37,000 tons of barter trade volume and 9,033 entries and exits. In 1990 the volume of the barter trade jumped to 177,000 tons, and entries and exits rose to 130,892.

Liu said that in the past three years, Heihe's export suppliers have increased from 200 factories in Heilongjiang Province to 2,000 factories and companies throughout China, while its foreign trade partners have increased from six to 120 factories and companies in six republics of the Soviet Union.

"At first, we exported potatoes, watermelons and other farm produce only. Now, our exports have been expanded to some 600 kinds of goods, including woollen blankets, leather jackets, woollen garments, sportswear, shoes, beer, computers, television sets and radio-recorders. Our imports include chemical fertilizers, timber, cement, steel, tractors and harvesters," Liu said.

Heihe has also co-operated with Soviet companies to set up dozens of joint ventures in both countries, including a hotel, a timber mill, a color photo printing workshop and a TV assembly factory in Amur City in the Soviet Union and a farm machinery service center and an automobile service center in Heihe.

Heihe has also provided 2,500 skilled laborers to engage in construction, engineering, lumbering and planting of vegetables in the Soviet Union.

Northeast Asia

Li Ruihuan Meets Japanese TV Distributor

OW2702044991 Beijing XINHUA in English
0345 GMT 27 Feb 91

[Text] Beijing, February 27 (XINHUA)—Li Ruihuan, Standing Committee member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met with Masao Inagaki, chairman of Asatsu Inc. and president of the China Television Co. Ltd here this morning.

During the meeting, Li expressed appreciation for Inagaki's efforts in communicating China to Japanese and foreigners and for his contributions to the development of children's TV film industry of China.

Li also expressed the hope that China and Japan will further their exchanges and cooperation in the fields of broadcast, film and television.

The China Television Co. Ltd was set up by China Central Television (CCTV) and Asatsu as a joint venture in April, 1989. It has made remarkable achievements in developing Sino-Japanese cultural exchanges since then, according to CCTV sources.

In 1990 alone, Japanese television stations broadcast and bought around 100 Chinese TV programs, the sources said. Besides, the joint venture distributes Chinese TV news to Japanese and foreign TV stations.

Wang Qun Reads Greetings to Mongolian Congress

OW2602184491 Beijing XINHUA Domestic Service in Chinese 1037 GMT 25 Feb 91

[By reporter Ba Ta Er Cang (1572 1044 1422 0221)]

[Text] Ulaanbaatar, 25 Feb (XINHUA)—Today, Wang Qun, member of the CPC Central Committee, attending the 20th National Congress of the Mongolian Revolutionary People's Party [MPRP], read a congratulatory speech on behalf of the CPC Central Committee.

The speech said: On behalf of more than 49 million CPC party members and of the friendly Chinese people, we would like to take this opportunity at your MPRP 20th National Congress to convey our enthusiastic congratulations to you, and through you, to the Central Committee and all MPRP members, as well as the friendly Mongolian people.

The speech said: The MPRP has led the Mongolian people in the cause of revolutionary struggle and construction for 70 years. The Mongolian people have transformed their poverty and backwardness with their industrious labor, accomplishing important achievements in economics, culture, and education. We CPC members are truly happy about achievements scored by the MPRP and the Mongolian people. We believe and hope that you will overcome various problems and score greater achievements in the course of your socialist construction and reform!

The speech said: In recent years, relations between the CPC and the MPRP, between China and Mongolia, and between the people of the two countries have been fully resumed and further developed. The smooth development of this friendly relationship suits the fundamental interests of the people of the two countries and is conducive to peace in Asia. The recent successful visit to China by an MPRP delegation at the CPC's invitation propelled friendly relations between our two parties to a higher plane. We firmly believe that relations between

the CPC and the MPRP will develop on the basis of the four principles of independence, equality, mutual respect, and noninterference in each other's internal affairs. Relations between the two countries will develop on the basis of the five principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.

S. Korean Experts To Run Reactor Safety Checks

SK2502090691 Seoul YONHAP in English 0726 GMT 25 Feb 91

[Text] Seoul, Feb. 25 (OANA-YONHAP)—South Korean nuclear experts will conduct pre-service inspections on the Daya Bay reactors I and II, now under construction in the southern Chinese province of Guangdong near Hong Kong, a spokesman for the Korea Atomic Energy Research Institute (KAERI) said Monday.

KAERI has signed a 300,000 U.S. dollar contract with the Research Institute of Nuclear Power Operation of China to check the safety of the pressurized water reactors before commercial operation begins in 1992, he said.

Over the next 18 months, KAERI officials will carry out non-destructive ultraphonic, liquid-penetrant and radiographic tests on pressure vessels, welded points and support structures in the reactors.

This is Korea's first export of nuclear reactor-related service and the first example of Seoul-Beijing technology cooperation in the field of nuclear safety.

Korea was totally dependent on foreign technology for the safety of its reactors until KAERI localized the technology in 1985.

Korea has saved 10 million dollars a year by performing its own pre-service and in-service inspections on the nine reactors across the country.

Comparison—Ochirbat Receives CPC Delegation

OW2502140591

Beijing XINHUA Domestic Service in Chinese at 0752 GMT on 25 February transmits a report on Mongolian People's Revolutionary Party [MPRP] Chairman Ochirbat receiving members of the CPC delegation. The XINHUA Chinese version, entitled "MPRP Secretary General Receives CPC Group," has been compared with the XINHUA English version published in the 25 February China DAILY REPORT, page 19, revealing the following variations:

Column two, paragraph three, only sentence, the XINHUA Chinese version reads: MPRP's 70th anniversary.

He explained to... (deleting paragraph four, picking up the first sentence of paragraph five);

Same paragraph, sentence two, the XINHUA Chinese version reads: ...and two countries.

Wang Qun said: Chairman G. Orchibat's recent visit to China is very useful for promoting the friendship between the CPC and the MPRP and the peoples of the two countries.

Wang Qun, member... (adding new paragraph):

Paragraph six, only sentence, the XINHUA Chinese version reads: ...crowned with success.

Present at the meeting were B. Bathishig, member of the MPRP Central Committee Presidium and secretary of the MPRP Central Committee; and Zhang Delin, Chinese ambassador to Mongolia.

Wang Qun and his party arrived in Ulaanbataar by train on the morning of 24 February. (adding paragraphs)

Near East & South Asia

Pakistan's Nawaz Sharif Continues Official Visit

Talks With Li Peng

OW2702030691 Beijing XINHUA in English
0227 GMT 27 Feb 91

[Text] Beijing, February 27 (XINHUA)—Chinese Premier Li Peng and visiting Pakistan Prime Minister Mohammad Nawaz Sharif started to have their private talks at 9:30 here this morning.

The private talks will be followed with continued exchange of views by the two leaders with senior officials from both sides participating.

It is learned that during his visit, Sharif will have discussions with Chinese leaders on the Gulf problem and other international issues as well as on Sino-Pakistan relations.

Earlier this morning, Sharif laid a wreath at the Monument to the People's Heroes in central Beijing.

Pledges To Develop Ties

OW2702091491 Beijing XINHUA in English
0900 GMT 27 Feb 91

[Text] Beijing, February 27 (XINHUA)—Chinese Premier Li Peng and Pakistan Prime Minister Mohammad Nawaz Sharif today pledged to further develop and strengthen the relations of friendship and cooperation between China and Pakistan in the fields of economy, trade, science and technology.

Li and Sharif made the pledge in their official talks held here this morning in a sincere and friendly atmosphere.

Li Peng hailed the Sino-Pakistan ties as an example of developing relations of friendship and cooperation among countries on the basis of the five principles of peaceful coexistence. "We hold that a change of government in any country is its internal affairs. We believe the friendship and cooperation between China and Pakistan will surely continue to grow," Li said, adding that Prime

Minister Sharif's current visit to China would further promote the Sino-Pakistan friendship.

Prime Minister Sharif described the Pakistan-China friendship as a pillar of the foreign policy of Pakistan.

He told Li Peng that his country will hold celebrations this year on the occasion of the 40th anniversary of the establishment of diplomatic relations between Pakistan and China. The Pakistan-China relations in the past 40 years have been characterized by sincerity and mutual support, Sharif said.

He said that Pakistan is following closely the developments in China and admires its achievements in improving the living standards of the Chinese people.

The Pakistan prime minister said Pakistan holds that all countries have the right to make policies in conformity with their own national conditions. He added that Pakistan was happy to see the achievements China has made in its foreign relations and would strive to further develop and promote the Pakistan-China relations.

During their talks, the two premiers also briefed each other on the domestic situations of their respective countries.

In an interview with Pakistan correspondents after the talks, Li Peng said he has had wide-ranging discussions with Prime Minister Sharif on international issues and bilateral relations. The talks were useful and would play an important role in strengthening the existing friendship between the two countries, he added.

Li Peng stressed that the two countries would further strengthen their cooperation in the diplomatic, political and economic fields.

Reaffirms Iraqi Withdrawal

OW2702112591 Beijing XINHUA Domestic Service
in Chinese 1018 GMT 27 Feb 91

[By reporters Chai Shikuan (2693 0013 1401) and Yang Guoqiang (2799 0948 1730)]

[Text] Beijing, 27 Feb (XINHUA)—Premier Li Peng said here today that we are now witnessing a situation in which Iraq has, or will soon have, withdrawn all of its troops. "We hope that the legitimate Government of Kuwait can resume exercising its sovereignty at an early date."

He stressed that Iraq should withdraw from Kuwait unconditionally.

During a meeting with Pakistani Prime Minister Mohammad Nawaz Sharif at the Great Hall of the People this morning, Li Peng said: China always has stood for a peaceful settlement of the Gulf conflict through political and diplomatic channels. We support the quest for a practical plan for a political solution within the framework of the UN resolutions for settling the Gulf crisis so that the Gulf war can come to an end as soon as possible and greater casualties can be avoided. We support all efforts for a peaceful settlement of the

Gulf crisis, and we appreciate the positive efforts exerted by Prime Minister Sharif for ending the war at an early date. We are ready to exert continual efforts with the international community, including Pakistan, to settle the Gulf crisis at an early date.

Sharif said: Pakistan opposes the use of force in handling interstate relations. Iraq's invasion and annexation of Kuwait is totally unacceptable to Pakistan, and thus we support the UN Security Council's resolutions condemning Iraq's invasion and annexation of Kuwait. Meanwhile, Pakistan expresses regret over the destruction and bloodshed that the war has inflicted on the Iraqi people. Sharif also briefed Li Peng on the efforts Pakistan has made for the peaceful settlement of the Gulf crisis.

On arrangements after the Gulf war, Sharif said: Pakistan believes that Iraq's border should be respected, foreign troops should be withdrawn from the Gulf region, and Gulf and Islamic countries should be responsible for the region's security.

In addition to the Gulf issue, the two premiers also exchanged views on a broad range of other international issues.

During the meeting, which lasted nearly three hours, Li Peng analyzed the international situation. He said: The world is now in a period in which the old pattern is being replaced by a new one. The relaxation of relations between the United States and the Soviet Union does not mean that there will be global peace. Many regions in the world are not stable. In fact, new conflicts have erupted. The establishment of a new international political and economic order is now a hot topic of discussion in the world. We believe that the new order should be based on the five principles of peaceful coexistence, equality of all big and small countries, noninterference in each other's internal affairs, and the quest of common development.

Li Peng told reporters after the meeting that he found that China and Pakistan share many identical or similar views on settling the Gulf issue.

Sub-Saharan Africa

Envoy to Ghana Signs Cultural Exchange Accord

OW2202185691 Beijing XINHUA in English
1716 GMT 22 Feb 91

[Text] Accra, February 22 (XINHUA)—China and Ghana signed here today a 1991-1993 cultural program to strengthen cultural cooperation between the two countries.

Mr. Cui Jie, Chinese ambassador to Ghana, and Dr. Mohammed Abdallah, chairman of the Ghana National Commission on Culture, signed the program on behalf of their respective governments.

According to the program, China and Ghana shall encourage the exchange of museum personnel and librarians as well as publications and other materials between the libraries of the two countries.

The two sides shall encourage the exchange of films and cooperation in film production.

In the areas of education, science and technology, the two sides shall encourage academic exchanges between scholars and experts of the two countries.

China shall grant Ghana 10 scholarships every year mainly for the Ghanaian university and high-school teachers, government officials, technicians and doctors.

Senegal President Hopes To Further Ties

OW2602113091 Beijing XINHUA Domestic Service
in Chinese 0737 GMT 26 Feb 91

[Text] Dakar, 25 Feb (XINHUA)—Senegalese President Abdou Diouf told the outgoing Chinese Ambassador Xie Zhenliu at a meeting here today that Senegal hopes to further develop friendly and cooperative relations with China.

During the meeting, President Diouf said both Senegal and China have attached great importance to consolidating and developing the friendly and cooperative relations between the two countries, which are a component of South-South cooperation. He also reviewed Chinese aid to Senegal.

Prior to the meeting, President Diouf presented Senegal's "Lion Medal" to Ambassador Xie Zhenliu.

Trade Official Outlines Planned Investments

HK2602025191 Beijing CHINA DAILY in English
26 Feb 91 p 2

[By staff reporter Xu Yuanchao]

[Text] A senior trade official said China plans to adopt a "prudent attitude" towards the establishment of businesses in Africa, and hopes it will win more contracts for construction projects.

China's total investment in Africa was \$49 million, less than 5 percent of the country's total overseas investment, said Chen Yongcai, director of the Foreign Economic Cooperation under the Ministry of Economic Relations and Trade (Mofert).

Since China started investing overseas 12 years ago, more than 700 overseas projects have been approved, 87 of which are in African countries. They involve joint ventures, the processing industry, medical care and the service trade.

Chen told CHINA DAILY that from January to October last year, Mofert had approved only five projects in four African countries with a total investment of \$100 million.

"Our investors seem unwilling to put their money in Africa because a joint venture set up there requires 56 percent of the investment to be Chinese," Chen said.

This is contrary to the equity joint ventures in other countries, where Chinese investors usually make less than half of the investment in a venture.

He said some of the Chinese-funded businesses in Africa were operating well but most of those in the service trade, such as restaurants and hotels, were making minimal profits and some were even operating at a loss.

Each year, African nations receive about \$14 billion in assistance from foreign countries, and Chinese enterprises hope that they can make profits through contracting more projects involving this foreign aid.

In the first three quarters of last year, China's contracts in African countries were valued at \$290 million.

To expand its market in Africa, Chen said, Mofert has been considering a package of policies for companies operating in Africa.

Companies in economic co-operation with African countries would be given the right to engage in trade. Free economic aid would be combined with contracting projects and labour export to Africa.

This means if a Chinese company wins the contract for a project, a certain percentage of the project will be offered as free economic aid.

He said China has built up a good reputation in Africa and it has economic relations with 46 countries and regions.

Over the past 12 years, China has built more than 700 equity or contractual joint ventures and wholly-Chinese-operated companies throughout the world with total assets of \$1 billion.

West Europe

More on Travels of Foreign Minister Qian Qichen

Meets King Juan Carlos

OW2702031491 Beijing XINHUA in English
0219 GMT 27 Feb 91

[Text] Madrid, February 26 (XINHUA)—Spanish King Juan Carlos said here today that Spain regards China as a friend and has been taking active measures to further develop bilateral relations between the two countries.

King Carlos, who held a meeting at his palace today with visiting Chinese Foreign Minister Qian Qichen, said Deng Xiaoping deeply impressed him during a meeting between the two leaders in Beijing in 1978.

He also expressed thanks to Chinese Chairman Yang Shangkun for his extended invitation for a future visit to China, which was conveyed by Qian.

He said that every country should ensure its economic stability and development after hearing Qian's speech on China's rapid economic development in the past 10 years.

Views 'Broad' Prospects for Ties

OW2702034791 Beijing XINHUA in English
0255 GMT 27 Feb 91

[Text] Madrid, February 26 (XINHUA)—Chinese Foreign Minister Qian Qichen said here today that the prospect for the development of friendly and cooperative relations between China and Spain looks broad.

Speaking at the Center of Studies of Foreign Policy of Spain this evening, Qian said in the past 18 years since the establishment of diplomatic relations, China and Spain have forged "a rather stable relationship of amity and cooperation."

"Leaders of our two countries have frequently exchanged visits, our economic and technological cooperation has been remarkably fruitful, and our exchanges in the cultural, educational and other fields have been steadily increasing," the Chinese minister said.

He believed that with joint efforts by the two sides "Sino-Spanish friendship and cooperation will have great prospects in the years to come."

Qian, who arrived here on February 25 for a three-day visit, met with President of the Spanish Congress of Deputies Felix Pons soon after his arrival. Spain is the second leg of his seven-nation tour in Europe.

Urges Early End to War

OW2702035391 Beijing XINHUA in English
0327 GMT 27 Feb 91

[Text] Madrid, February 26 (XINHUA)—Chinese Foreign Minister Qian Qichen stressed here today that China hopes the Gulf war can be ended as soon as possible, noting the need to resolve the Gulf conflict in accordance with U.N. resolutions.

Speaking at the Center of Studies of Foreign Policy of Spain this evening, Qian said: "To our deep regret, the possibility for a peaceful settlement of the Gulf crisis, which once emerged, has not become reality."

"At present," he continued, "we remain hopeful that the parties concerned will demonstrate a willingness to resolve the conflict peacefully and bring the Gulf war to an early conclusion, thus realizing peace within the framework of the relevant resolutions of the U.N. Security Council."

Qian said the Chinese Government has explicitly expressed its opposition to the Iraqi invasion and annexation of Kuwait and called on Iraq to withdraw its troops from Kuwait immediately and unconditionally. "At the same time," the Chinese minister pointed out, "we have stood for a peaceful settlement of the Gulf crisis within the framework of the relevant U.N. resolutions."

He also said China has done a great deal of useful work within the United Nations and has also resorted to bilateral channels to persuade the parties concerned.

Touching upon the Palestine question, the Chinese minister stressed that without a just and reasonable solution of the problem, there can be no lasting peace and tranquility in the Middle East.

He expressed the hope that following the settlement of the Gulf crisis, the international community will promptly start working for a solution to the Middle East question and especially the Palestine question in compliance with the relevant U.N. resolutions.

"The question of security of a region should be mainly addressed by the countries in that region," Qian pointed out. "Foreign troops must withdraw from the Gulf."

He also said China will, together with other countries, keep up its unremitting efforts for a peaceful settlement of the Middle East question.

Qian arrived in Madrid on February 25 for a three-day official visit to Spain, which is the second stop of his seven-nation tour in Europe.

Confers With Felipe Gonzalez

OW2702044491 Beijing XINHUA in English
0405 GMT 27 Feb 91

[Text] Madrid, February 26 (XINHUA)—Spanish Prime Minister Felipe Gonzalez said here today that Spain is willing to strengthen bilateral relations with China.

Gonzalez, who held a meeting today at his palace with visiting Chinese Foreign Minister Qian Qichen, said no obstacles exist in the future development of Spanish-Chinese relations.

China's economic development and reform policy have left a deep impression with Spanish leaders, he said, adding that Spanish enterprisers [word as received] are greatly interested in further developing bilateral economic cooperation with China.

During the meeting, Gonzalez praised China's prudent and principled stand on the Gulf war. He wished the Security Council of the United Nations could exert its proper role in the settlement of the Gulf war.

Both countries agreed that the five principles of peaceful coexistence should be the basis for a new international order.

Moreover, Gonzalez accepted Chinese Premier Li Peng's invitation for a future visit to China, which was conveyed by Qian.

Reaffirms 'Friendly Relations, Cooperation'

OW2702050991 Beijing XINHUA in English
0449 GMT 27 Feb 91

[Text] Madrid, February 26 (XINHUA)—Chinese Foreign Minister Qian Qichen reaffirmed here today that China is willing to expand "friendly relations and cooperation" with Western Europe.

Speaking at the Center of Studies of Foreign Policy of Spain this evening, Qian also noted that "marked improvement" has been achieved in relations between the two sides in recent months.

The Chinese minister said the proper handling Sino-West European relations not only is in the fundamental interests of "our (China and West Europe) respective countries", but also helps bring about a new international order and secure world peace and stability.

"China has always put great weight on developing its relations with the West European countries and dedicated itself to this end," Qian pointed out. "China is ready to develop friendly relations and cooperation with Western Europe on a long-term and stable basis."

He stressed that the objective should be realized on the basis of "unrelenting efforts from both sides" and "their mutual adherence to some fundamental principles [no end quotation mark as received], which as he underlined include "seeking common grounds while putting aside differences," "mutual respect," "non-interference in each other's internal affairs" and "equality and mutual benefit."

Qian said: "Over the past year and more, some temporary difficulties cropped up in the relations between China and Western Europe. It is gratifying, however, that thanks to the common endeavour, marked improvement has been achieved in our relations."

Now, he continued, China and Western Europe see a "gradual restoration" of their political exchanges and their cooperation in trade and economic fields, science and technology as well as culture and education.

"Although there are still some problems that need to be resolved through our common efforts, relations between China and Western Europe are on the whole moving in a sound direction," the Chinese minister added.

Qian arrived here on February 25 for a three-day official visit to Spain, which is the second leg of his seven-nation tour in Europe. He started his current trip on February 21, taking Portugal as the first leg. He will also visit Poland, Bulgaria, Hungary, Greece and Malta.

Stresses New International Order

OW2702063291 Beijing XINHUA in English
0555 GMT 27 Feb 91

[Text] Madrid, February 26 (XINHUA)—Chinese Foreign Minister Qian Qichen stressed here today that

China will make efforts to establish a new international political and economic order.

Speaking at the Center of Studies of Foreign Policy of Spain this evening, Qian noted the guiding principles of the new international order should be the five principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.

He said: "As a member of the international community, China is ready to work unremittently with all other countries for the establishment of a just and reasonable international political and economic order."

The new international order must be different from the previous old order based on hegemonism and power politics, Qian pointed out, adding it means a brand-new international relationship.

"Such a new order requires equality of all countries, big or small, strong or weak, rich or poor, and affirms their right to participate in the settlement of world affairs through consultation. It rejects such practices as the big bullying the small, the strong lording it over the weak and the rich oppressing the poor, and the monopoly of international affairs by one or two big powers or several big powers," the Chinese minister said.

He said: "Such a new order must recognize the right of every country to choose its social system, ideology, economic model and course of development in light of its own national conditions and oppose interference in the internal affairs of other countries or imposition of a particular development model on them."

"Such a new order requires mutual respect for each other's sovereignty and territorial integrity by all countries, upholds the principle that international disputes should be resolved in a reasonable manner through peaceful negotiations and opposes the use or threat of force or armed invasion and the attempt to settle international disputes by means of war," he continued.

The Chinese minister also stressed that the unjust and inequitable international economic order must be replaced by a new international economic order based on equality and mutual benefit, adding the developed countries should contribute to the improvement of the international economic environment and, in particular, to the solution of the debt problem of the developing countries.

He reaffirmed that China "will all the more firmly" pursue its independent foreign policy of peace as the old world pattern is giving way to a new one.

China is ready to establish and develop friendly relations and cooperation with all other countries on the basis of the five principles of peaceful coexistence and to conduct various forms of economic and technological cooperation and trade exchanges with them on the basis of equality and mutual benefit.

In his speech, the Chinese minister also underlined the "marked improvement" in Sino-West European relations and his government's attitude to the Gulf war.

Qian arrived here on February 25 for a three-day official visit to Spain, which is the second leg of his seven-nation tour in Europe. He started his current trip on February 21, taking Portugal as the first leg. Other countries he will visit include Poland, Bulgaria, Hungary, Greece and Malta.

Talks With Counterpart

OW2702064091 Beijing XINHUA in English
0608 GMT 27 Feb 91

[Text] Madrid, February 26 (XINHUA)—Spanish Foreign Minister Francisco Fernandez-Ordonez and visiting Chinese counterpart Qian Qichen today pledged their common efforts for closer cooperation between the two countries.

During their formal talks, the two foreign ministers shared the view that China and Spain have established channels for frank and friendly dialogues.

The Chinese foreign minister said that the bilateral Sino-Spanish relations made new strides in the past few years, noting that the two countries have also cooperated well in exchange of economic and scientific information.

The Spanish foreign minister believed that Qian's visit will further broaden the existing friendly relations between the two countries.

Qian and Ordonez signed an agreement on exemption of diplomatic visas on behalf of their respective governments after their talks. Qian arrived here yesterday for an official visit on the second leg of his European tour.

Trade Group To Promote British Business Ties

HK2702021191 Beijing CHINA DAILY in English
27 Feb 91 p 2

[By staff reporter]

[Text] The China Britain Trade Group is in the midst of launching a massive exchange programme to enhance Sino-British business ties.

The group is currently leading a 50-member business mission on a 10-day trip to China and sponsoring two technical seminars on airport and underground railway development in four Chinese cities, including Beijing, Shanghai and Guangzhou, as its first steps to "further keep the momentum of the growing Sino-British trade going," said F.W. Edwards, the group's vice-president.

The new organization was formed early last month by combining the 48 Group of British traders with China and the Sino-British Trade Council in a bid to further expand economic and trade cooperation between the two countries.

The China Britain Trade Group is now the only trade promotion organization in Britain which is sponsored by the British Government and has a substantial membership among major British firms.

"We are keen to provide a channel for Chinese organizations to reach the British industry, focusing on technical cooperation in petrochemicals, fertilizer, food processing, telecommunications, power stations, railways and aviation," Edwards told CHINA DAILY in Beijing.

He revealed that the group was sponsoring two more large-scale trade missions to China so that both sides could explore possibilities for cooperation.

In late June, Alistair Frame, the group's president, will lead a senior team to China, and in November a general trade mission, involving British industrial leaders, will visit Chinese cities to talk on a "great variety of topics."

"Now is the right time for Britain to promote its trade in China which had started its new Five-Year Plan and decided on its priorities in different industrial sectors," the vice-president said.

"Now the climate for cooperation is very good. China's economy is much more under control and it has done an excellent job to bring down inflation."

Lord Brabazon, British minister of state for the Department of Transport, said in Beijing on Monday that "political and economic relations between our two countries are no once again developing well."

The British Government, he said, is supporting the development of bilateral trade through export credit for appropriate projects and government-backed concessional finance.

Europe-PRC Trade Seminar Opens in Brussels

OW2702021 Beijing XINHUA in English
0116 GMT 27 Feb 91

[Text] Brussels, February 26 (XINHUA)—A seminar on "Trade and Transport Between Europe and the People's Republic of China" opened here today, with the aim of enhancing mutual understanding and expanding economic cooperation and trade.

Present on the occasion were nearly 50 enterprisers [word as received], economic officials and scholars from China and European countries. Chinese Ambassador to Belgium Xia Daosheng attended the seminar.

This seminar was jointly organized by the Belgian Foreign Trade Office, Belgian Chinese Economic and Commercial Council, General Administration for Development Cooperation of the Belgian Foreign Ministry and International Trade Investment Institute.

At the seminar, eight speakers expounded their points of view on the expansion of economic and trade cooperation relations between China and Europe.

Marcel Leemans, director of the Belgian Foreign Trade Office, said: "The real economic progress made by the People's Republic of China in recent years is far from negligible."

"The People's Republic of China is one of the Belgian Luxembourg Economic Union's main trading partners in Asia," he said.

He said: "Despite the fact that our bilateral relations with China are going through a bad patch at present, I remain determinedly optimistic about the future for my part."

Li Haoran, minister counselor of the Chinese Embassy to Belgium, said the policy of opening to the outside world is China's basic national policy. "Whatever happens in the world, China will not close its already-opened door," he said. Li cited figures as showing that China's economy in the 1980s achieved great progress. He hoped all those businessmen willing to conduct trade with China make a trip there and take a close look at the situation with their own eyes.

Other speakers talked about investment opportunities in China, export financing possibilities on short and medium term on the Chinese market, and Chinese ocean shipping container transportation.

Article Views Changing European Situation

HK2702054591 Beijing ZHONGGUO QINGNIAN BAO
in Chinese 9 Jan 91 p 2

[Article by special contributors Li Haiyan (2621 3189 3601) and Wei Lijun (7614 7787 6511): "The European Dream and the European Community in the Changing European Situation"]

[Text] Some 130 years ago, at a peace conference in Paris, France's great writer Hugo said loudly at the opening ceremony:

"There will be such a day, when you—France, you—Russia, and you—Britain, all the European countries, without giving up your own characteristics and shining character, will integrate closely into an entity of a higher order; by then, you will construct friendly relations in Europe... and by then, two huge collectives, the United States of America and the United States of Europe, will go hand in hand across the ocean...."

The Europeans themselves call this idea of European integration the "European dream." Hugo was not the only person who has the "European dream." Another Frenchman who lived 200 years before him had already had a plan for European unity. After Hugo, other dignitaries such as Churchill, DeGaulle, and Adenauer all had the "European dream," even though their dreams were not the same. However, it was only in 1990 when people no longer treated it as a dream.

History Accelerates and We Should Also Accelerate

The European Community has existed for more than 30 years. From the joint operation of steel and coal production to the waiving of tariffs on industrial products, and from the practice of the Common Agricultural Policy to the establishment of the European Monetary System, the degree of economic integration among various member states has been deepening. At present, the economic integration within the EC has reached the stage of building a large market without frontiers within the Community, and of building an economic and monetary union.

It was only halfway in the building of a large and unified market, and when the first phase of an economic and monetary union had not begun, when great changes started to take place in East Europe at the end of 1989, and the Yalta pattern rapidly collapsed. The process of German unification has been unexpectedly expedited. All these factors have prevented the building of a large and unified market and the process of an economic and monetary union.

West Germany has gazed at the East since great changes took place in East Europe and particularly in East Germany. Kohl suggested 10 points to expedite German unification, without notifying his colleagues in the EC. Thereafter, Kohl again suggested that German unification could start from building an economic and monetary union for the two Germans, also without consulting his partners in the EC. This immediately stirred up an uneasiness with the EC. It is because when East Germany is admitted into the EC along with German unification, based on the Common Agricultural Policy alone, each year \$1.2 billion must be granted to the East German peasants, while the problem of surplus agricultural products within the EC will become more serious. East Germany will also benefit from a sum of money amounting to \$4.8 billion each year from the EC budget. All these factors prompted other EC members to consider whether the great changes in East Europe and German unification will hinder the process of EC integration.

At the same time, in unified Germany, GNP is 1.5 times that in Britain and France; and manufacturing power is 80 percent of the sum total of Britain, France, and Italy, while its export trade surpasses the United States and Japan to rank first in the world. Other EC members worry about what kind of relations will exist between the EC and such an economically strong power. Will it be "Europe's Germany" or "Germany's Europe?"

Therefore, France and other countries suggested that the process of the large market and economic and monetary union be expedited, and that the process of German unification be absorbed into the process of European integration; the purpose is to restrain Germany. At the time, Britain's Mrs. Thatcher was opposed to the deepening of integration: she suggested that the EC market be opened to East Europe, and that East Europe be

absorbed into the large and unified market. Her intention was to widen the differences in economic attainment among various member states to delay the deepening of integration and enable Britain to retain more sovereignty and privileges.

Immediately, political circles and public opinion were all discussing whether the building of a large and unified EC market and an economic and monetary union will speed up or slow down. After one year's practice, the fact has spoken for itself. The building of a unified and large market and an economic and monetary union has been expedited. For the former, among the measures for materializing freedom of movement of commodities, services, personnel, and capital that should be taken, 67 percent have been adopted by the Council of Ministers; eight member states have implemented free circulation of capital since July last year; six member states have signed an agreement to open their borders by January 1992, to materialize the free flow of personnel. France and Italy lifted the ban on foreign exchange last year; the former East Germany was admitted into the EC along with the unification of Germany; in addition, after wandering for 10 years outside the European Monetary System, the pound entered the system's monetary exchange mechanism last year. For the latter, an economic and monetary union began in July last year, and in October, it was decided that the second phase should begin on 1 January 1994. The governors of the central banks in the 12 countries drafted a plan for the future central bank of Europe. Jacques Delors, president of the EC Commission, predicted optimistically that by the year 2000, Europe will have a unified currency.

The EC is quickening its pace toward economic integration. EC Commission President Delors said, "It is because when history accelerates, we should also accelerate."

From an Economic Giant to a Political Giant

The economic strength of the EC has already caught up with that of the United States, its growth rate has surpassed the United States for years, and it accounts for 40 percent of the world's total trade volume, thus becoming the world's largest trade group. This results from its economic integration. The more the economic integration is deepened, and the more it involves the shifting of economic decisionmaking power from individual states to a supranational organ of the EC, the more it is needed to strengthen the common principles of the EC involving its political and legal superstructure. This is the so-called "the economic construction of Europe requires political decisions." The social charter passed the previous year by the EC was the first step toward political integration.

At that moment, great changes took place in East Europe, the Yalta pattern collapsed, and the U.S. and Soviet garrisons in Europe were gradually withdrawn. In order to strengthen its leading role in Europe, the United States proposed the "New Atlanticism." In order to maintain its say in Europe, the Soviet Union used its geographical

advantages to propose the idea of building a "European Home." The EC, which has always wanted to free itself from the U.S. control and the Soviet influence, naturally has its own idea about the New Atlanticism and European Home. French President Mitterrand suggested the idea of building a "European federation" which will admit both East and West Europe, with EC as its core. The politicians in West Europe have concretely described the three concentric circles of the federation, and they are, first, the EC; second, an economic region of 18 countries, formed by the EC and the six countries of the European Free Trade Association; third, a pan-European economic circle including East European countries. In order to attain this goal, Delors thought that for the EC, "It is not enough to only have economic and monetary union, and it is also necessary to have a motive force for political cooperation," and that is political union.

The position of Germany in such a changing situation is another important factor. In order to reciprocate for the Soviet Union's support for German unification, West Germany has provided the Soviet Union with government-guaranteed food assistance, agricultural products, withdrawal fees, and loans amounting to DM20 billion. The Soviet Union also deliberately stressed its close relations with Germany. On the other hand, the United States actively developed its special relations with Germany. This made other EC countries more worried about Germany, and they tried hard to place Germany under the restraint of the EC. Although Germany is very strong in economic strength, in order to expedite the process of the country's unification, it has to seek support from various EC countries; at the same time, it is not fully developed politically, and it still has to wear the EC colors to perform its role in the world arena, therefore, it is also willing to expedite the process of political integration of the EC.

Against this background, Mitterrand and Kohl last year sent two joint letters to the EC Presidium; they suggested a political union be established, and they also described the outline of the union. The two EC summits in Dublin and Rome last year also adopted relevant resolutions to expedite the political union process.

The political union designed by the EC will involve common diplomatic policy, security policy, and even defense policy; the decisions on these common policies will be made mainly by a supranational organ, the EC Council of Ministers. The principle of effective decision by majority must also be strengthened. At the same time, the power of the supranational organs such as the European Parliament, the Court of Justice, and the EC Commission must also be strengthened; in addition, the rights of citizens must also be considered.

When such a political union appears, the EC will change from an economic entity to a political and economic entity. The EC will no longer be "an economic giant and a political dwarf," and it will exist as a pole which is politically independent and strong.

New Pattern, New Role, New Conflict

At a time when the old balance of forces in Europe and even in the world is being broken up, and when a new balance of forces has yet to be formed, the EC, which is established on the foundation of a divided Europe, is trying hard to perform a new role in unifying Europe.

The picture of the strong economic strength of the EC, its large and unified market, and its economic and monetary union has attracted the six countries of the European Free Trade Association; and Sweden, Austria, Finland, Switzerland, and Norway have all applied for joining the EC or expressed their interest in joining it. In the process of changing to a market economy, various countries in East Europe have also wanted to draw closer to the EC. Therefore, the EC will naturally play a core role in future economic development in Europe and in the process of economic integration. The head of the European Investment Bank explained the economic orientation of the EC, and he said: "By the end of this century, we will see a single large market in Europe, one which has 700 million consumers and manufacturers, with the same development trend, but probably different degrees of accomplishment in different places."

In Europe, within the security system which has the Conference on Security and Cooperation in Europe as its framework, the EC takes establishing common diplomatic, security, and defense policies as its base, and strives to play a leading role in the new political pattern in Europe.

However, in the world where the two poles are changing toward a multipolar pattern, the EC faces a rough path.

In order to be the political and economic core in the future Europe, the EC must first maintain the smooth development of the core. It is on this point that it is not optimistic. Along with the deepening of economic and political integration, various member states will be asked to hand over more of their sovereignties to the supranational organs, and they will inevitably argue among themselves, because they want to safeguard their own interests and power. Some of the nearly 100 measures requiring legislation for the large and unified market, and in particular revenue coordination, quarantine of plants and animals, and free flow of personnel, have to be delayed until 1996 for a solution because they involve the basic interests of various countries. There is still a long way to go to have a unified currency. Within the EC, there are numerous conflicts between the big countries, or between a big and a small country. The new conflict of interest between Britain, which bases itself on finance, and Germany, which bases itself on industry, is an objective existence. France's dominant position has been challenged by Germany. Various small countries worry about the possibility that when the deepening continues, their fates will be controlled by several big countries. The countries in the south have grievances when seeing the north shifting their interests to the east, thus causing a

decrease in their benefits. These conflicts make the process of self-construction of the EC more complicated.

In order to become a new pole in the multipolar world, the EC will inevitably face new conflicts with the United States and the Soviet Union. At present, the EC has adequate economic strength to confront the United States, which is the largest debtor nation in the world. However, the United States is still the world's strongest military power, and Europe cannot do without U.S. strength. Although the market and resources in the Soviet Union are very attractive, the situation is not stable; the recent resignation of Shevardnadze has brought about a new round of clashes. A bigger conflict the EC will face is the developing countries in the Third World. Last year, these countries increased their debts by 6 percent, reaching \$1,000 billion, while their ability to pay debts is decreasing. When the EC makes efforts in self-construction, preference will be given to Europe itself in the area of capital flow, technology transfer, and development aid, even leading to an upsurge of regional protectionism, and this is obviously not beneficial to the Third World. When the Third World has no economic

development, can Europe be stable? And can Europe have a long-lasting development? The way in which the EC properly solves its conflict with the United States, the Soviet Union, and the Third World has a bearing on whether it can properly perform the role it intends to perform in the world's new pattern.

In Paris, where Hugo urged the building of a "United States of Europe," on 21 November 1989, 32 European countries, the United States, and Canada together signed the "Paris Charter on New Europe," proclaiming the "end to the era of confrontation and separation in Europe," and the beginning of the "new era of democracy, peace, and unity."

Can the "European dream" really come true?

What can the prophecy of politicians bring about for the unemployed who account for 8.4 percent of the work force within the EC, to the East Europeans who are plagued by the scarcity of daily necessities and national conflict, and to the people in the whole world who long for peace and stability?

Political & Social

Jiang Zemin Visits Henan Armed Police Corps

HK2702040391 Beijing JIEFANGJUN BAO in Chinese
13 Feb 91 p 1

[Report by Feng Yuanxi (7458 0337 0823) and Zhang Ding (1728 0002): "Jiang Zemin Reviews Officers and Men of Henan Armed Police Corps and Public Security Police, and Hopes They Will Make New Contributions to Safeguarding the Smooth Progress of Economic Construction"]

[Text] On the afternoon of 10 February, Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, accompanied by leading comrades including Deputy Chief of General Staff Han Huaizhi, Jinan Military Region Commander Zhang Wannian, Henan Provincial CPC Committee Secretary Hou Zongbin, and provincial Acting Governor Li Changchun, came to the headquarters of the Henan Armed Police Corps, visited and reviewed the corps' entire body of officers and men and some policemen of the Henan Provincial Public Security Department.

On the eve of the Spring Festival, Zhengzhou already had a festive atmosphere. At 1600, Jiang Zemin was driven to the headquarters of the Henan Armed Police Corps.

After the troop review, General Secretary Jiang Zemin made an impromptu speech. He said: "The Spring Festival is coming around. In Chinese custom, first of all, I send, in advance, my new year greetings to the entire body of officers and men of the Henan Armed Police Corps and to Henan Province's entire Public Security Police."

Jiang Zemin said: "The Seventh Plenary Session of the 13th CPC Central Committee advanced the proposals for drawing up the 'Eighth Five-Year Plan' and the 10-Year Program, and this document is being circulated and studied throughout the country. According to the tasks advanced in the proposals, it is necessary to boost the economy in the next 10 years and maintain a stable and united political situation. In this respect, the Armed Police Corps and Public Security Police are shouldering the glorious duty of safeguarding stability in society. You must heighten your vigilance, and once instability begins to bud you must quickly put an end to it. I hope that you can always keep a strong fighting will and make new contributions to the smooth progress of China's economic construction."

Later, General Secretary Jiang Zemin and other leaders, together with some cadres of the Henan Armed Police Corps and Public Security Department, had their pictures taken. With the expectations of the officers and men of the Henan Armed Police Corps and Public Security Police in mind, he wrote this poem for them: "Safeguard stability in society and defend people's interest; Be the strong pillars of people's democratic dictatorship."

General Secretary Jiang Zemin reviewed and visited the officers and men of the Henan Corps and Public Security

policemen. They were greatly encouraged. The Henan Armed Police Corps immediately called a party committee meeting to conscientiously study and discuss the spirit of General Secretary Jiang Zemin's speech, immediately circulated General Secretary Jiang Zemin's poem and instructions to every officer and man of the corps, and conscientiously organized the units to implement the spirit.

Li Peng, Tian Jiyun Honor Patrol Boat Crew

OW2702060091 Beijing Domestic Service
in Mandarin 1030 GMT 26 Feb 91

[Excerpt] A heroic and moving antismuggling deed is making its rounds among the nation's customs departments. On 10 January, young anticontraband crewmen of Patrol Boat 707 under the Jiulong Customs Office, Guangdong Province—including Liao Yuxian, Gu Weihong, Tang Rurong, and Liu Weiming—braved the risks of stormy waves to engage smugglers at sea, seizing a high-powered smuggling boat carrying 500 video cassette recorders. During the clash, two of the crewmen were injured and two others killed.

At nightfall on 10 January, a patrol speedboat manned by the four young crewmen spotted a smuggling boat carrying 500 video cassette recorders coming from the direction of Hong Kong. In the pursuit, the vicious criminals, blinded by covetousness and taking advantage of their larger and faster boat, ignored the patrolmen's warning and ran head on into the patrol boat, sinking it. Liao Yuxian and Gu Weihong died heroic deaths, and Tang Rurong and Liu Weiming were severely injured. As the story spread, people who heard it, without exception, were moved by the heroic deeds and were indignant at the savage acts of the criminals.

On learning of the incident, Li Peng, premier of the State Council, and Vice Premier Tian Jiyun, respectively, issued instructions expressing their profound condolences for the martyrs who gloriously sacrificed their lives and extending regards to the injured comrades. Premier Li Peng wrote in the instruction: The struggle between smuggling and antismuggling is a long one. We should vigorously commend people who render meritorious service in combating smuggling, cherish the memory of the comrades who sacrificed their lives in the antismuggling struggle and publicize their deeds, and boost the morale of patrolmen. Vice Premier Tian Jiyun wrote: The struggle against smuggling is an arduous task that will last a long time. It is also a major measure guaranteeing China's reform and opening to the outside world. It is hoped that all comrades of the customs departments will continue to carry forward their selfless and dauntless revolutionary spirit, firmly fight smugglers, guard the country's gates and passes well, and truly build a great wall of steel against contraband. [passage omitted]

Song Ping, Qin Jiwei at Zheng Dongguo Memorial

OW2602183291 Beijing XINHUA Domestic Service
in Chinese 1124 GMT 26 Feb 91

[Excerpt] Beijing, 26 Feb (XINHUA)—A ceremony to bid farewell to the remains of famous patriotic personage Zheng Dongguo was held at the auditorium of the Babaoshan Cemetery of Revolutionary Martyrs in Beijing today.

Comrade Zheng Dongguo died of illness in Beijing on 27 January 1991 at the age of 88. He was a Standing Committee member of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], vice chairman of the Central Committee of the Chinese Kuomintang Revolutionary Committee, vice president of the Whampoa Alumni Association, and permanent member of the China Council for Promoting Peaceful Reunification.

Comrade Zheng Dongguo's remains lay in state amid fresh flowers and green pine twigs. Wreaths, sent from Comrades Li Xiannian, Deng Yingchao, Nie Rongzhen, Wang Shoudao, Liu Lantao, Xiao Ke, Cheng Zihua, Xi Zhongxun, Zhu Xuefan, Zhou Gucheng, Yan Jici, Rong Yiren, Fei Xiaotong, Sun Qimeng, Wang Renzhong, Fang Yi, Gu Mu, Kang Keqing, Hu Ziang, and Sun Xiaocun, were hung on the walls of the auditorium. Amid the strains of mourning music, Comrades Song Ping, Qin Jiwei, Ding Guangen, Lei Jieqiong, Hong Xuezhi, Yang Jingren, Zhou Peiyuan, Wang Guangying, Zhao Puchu, Qu Wu, Ma Wenrui, Cheng Siyuan, Qian Zhengying, and Hou Jingru, as well as Standing Committee members of the CPPCC National Committee and some of its members in Beijing, officials of the Central Committee of the Chinese Kuomintang Revolutionary Committee, Whampoa Alumni Association, the China Council for Promoting Peaceful Reunification, all democratic parties, and the All-China Federation of Industry and Commerce, and friends of Zheng Dongguo, totaling some 400, walked up to and bowed before his remains.

Wreaths also were sent from the CPPCC National Committee, the United Front Work Department of the CPC Central Committee, the Central Committee of the Kuomintang Revolutionary Committee and its Inspection Committee, the Whampoa Alumni Association, the China Council for Promoting Peaceful Reunification, all democratic parties, the All-China Federation of Industry and Commerce, and the Hunan provincial party and government departments. Messages of condolences and wreaths also were sent from Taiwan's "China Whampoa Overseas Unity Fellowship (Whampoa Association)" and the relevant departments and Zheng Dongguo's friends in Taiwan, Hong Kong, Macaos, and abroad. [passage omitted]

Ni Zhifu Addresses Trade Union Presidium

OW2502132091 Beijing XINHUA Domestic Service
in Chinese 0937 GMT 25 Feb 91

[By reporter Li Nianguai (2621 1628 6311)]

[Text] Beijing, 25 Feb (XINHUA)—The meeting of the Ninth Presidium of the 11th All-China Federation of Trade Unions [ACFTU], which opened today, called on all trade unions to fully mobilize the enthusiasm of workers of all nationalities in the country by earnestly implementing the CPC's basic guideline of relying wholeheartedly on the working class, and to fight in unity to attain the second strategic goal of China's socialist modernization.

During the session, ACFTU Chairman Ni Zhifu delivered the ACFTU work report entitled "Earnestly Study the Guidelines of the Seventh Plenary Session of the 13th CPC Central Committee and Give Full Scope to the Roles of Trade Unions in Achieving the Eighth Five-Year Plan and the 10-Year Program." He said: The working class is the main force in implementing the plan and the program. Nothing can be accomplished without the working class' initiative, creativity, and sense of responsibility peculiar to their role as being the masters of the country. Thus, trade unions at all levels must consider it their obligation to rally the vast number of workers to safeguard stability and unity, focus their efforts on boosting the national economy, and strive to achieve the great objectives of quadrupling the gross industrial and agricultural output and achieving a relatively comfortable life. This is a glorious responsibility and a formidable task for all trade unions and their cadres.

Ni Zhifu said: Since the convocation of the Fourth Plenary Session of the 13th CPC Central Committee, the new leading collective of the CPC Central Committee, with Comrade Jiang Zemin as the nucleus, has time and again reaffirmed the need to rely wholeheartedly on the working class. It urges all party members to fully respect the workers' master status, protect their legitimate rights and interests, arouse their initiative and creativity, broaden their supervision over the CPC and the Government, heighten their ideological and political consciousness, and upgrade their proficiency in science and other fields.

On implementing the guideline of relying wholeheartedly on the working class and on problems that have to be resolved immediately, Ni Zhifu said: We must broadly solicit workers' views while drawing up laws and regulations, economic and social development plans, and major principles and policies; and we must inform them promptly about how they have been implemented. We must firmly protect workers' supervisory rights and the supervisory system should be institutionalized gradually. During the course of restructuring enterprises' operating mechanisms, we should explore and propagate all forms of operating systems under which workers can demonstrate their master status. We should constantly improve enterprises' democratic management based on the workers' congress system, gradually promote the

democratic system of assessing cadres' performance and electing factory directors, and uphold the democratic procedures of commissioning or hiring factory directors. There should be practical measures by which outstanding workers can be selected to become party members or cadres, and laws and regulations for protecting workers' vital interests will be drawn up and improved.

During the five-day presidium meeting, representatives of 18 large and medium enterprises, including the Shoudou Iron and Steel Company, the Daqing Oilfield, the Shanghai Steel Works No. 5, the Shiqijie Coal Mine under the Luan Mining Bureau, the Jilin Chemical Industrial Company, the Second Motor Company, and the Dalian Shipbuilding Plant, briefed those in attendance about their experiences in implementing the fundamental guideline of relying wholeheartedly on the working class.

Li Ruihuan Praises Film on County Party Secretary

OW2602194591 Beijing XINHUA in English
1542 GMT 26 Feb 91

[Text] Beijing, February 26 (XINHUA)—A new feature film, "Jiao Yulu", describing the later years of a county communist party secretary in the early 1960s, has set a new record in the history of Chinese film distribution: a total of 520 copies have been sold across the country.

Li Ruihuan, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, said at today's special ceremony for the film's first screening, that the spirit of the hero that lived more than two decades ago was still relevant to today's modernization drive.

Film experts hailed the film as a great success for its realism and significance to the development of Chinese film industry, which is currently suffering from a poor economic outlook, low quality and a deviation from the country's mainstream life.

As a party secretary at Lankao County, Henan Province, where he lived for 15 months before he was hospitalized, Jiao led local farmers in their efforts to control sandstorms, land salinization and flooding. He became a national hero upon his death in 1966.

In recent years, a great number of entertainment films were produced, bringing some confusion to the Chinese audience, who became increasingly dissatisfied with the excessive violence and love scenes on the screen. The interests of film-goers have turned to those reflecting human feelings, and "Jiao Yulu" has many moving scenes.

Li Xuejian, who played the leading role in the film, said, "my home town was near Lankao. I was only 11 when Jiao died. At that time, my father was also a county party secretary. In the film, I tried to combine my respect to Jiao with my love for my father."

The former record for the number of copies of a feature film sold in China was held by "The Birth of New China" in

1989, which depicted the founding of the People's Republic in October 1949. Taiwan's film "My Beloved" set last year's record with more than 300 copies.

Publication of Economic Paper Halted

HK2502153091 Hong Kong TANGTAI in Chinese
No 64, 23 Feb '91 pp 14, 15

[Article by Hua Lun (5478 0178) from Beijing: "Xu Weicheng Wantonly Stops Publication of ZHONGGUO JINGJI XINWEN BAO and Li Ruihuan Is Unable To Render Assistance"]

[Text] ZHONGGUO JINGJI XINWEN BAO, a big paper in the economics category under the All-China Journalists' Association on the mainland, has been in a precarious situation since the mainland authorities' rectification of the press last year. Recently, Xu Weicheng, the reinstated Central Committee Propaganda Department deputy director finally halted its publication, and it is very difficult for the more than 100 workers and staff members to find new jobs, resulting in great confusion in people's minds. The workers and staff members of the ZHONGGUO JINGJI XINWENBAO Office have sent an urgent cable to the CPC top echelon, strongly demanding a counteraction against the decision to stop the paper's publication.

Press Reform Has Become a Forbidden Area

The mainland authorities have developed rectification of the press since last fall to tighten their grip on the public opinion front owing to the fact that in the 1989 prodemocracy movement, the news media truthfully covered the student movement, with efforts by journalists having a sense of justice. Freedom of the press and freedom of speech became battle cries in the 1989 prodemocracy movement amid the strong voices for political restructuring and democratic politics. This being the case, in the wake of the "4 June" bloody suppression, the rectification of the press has become an important measure for the CPC authorities. Consequently, a number of publications were halted or suspended, including XINGUANCHANG, SHIJIE JINGJI DAOBAO, JINGJI XUE ZHOUBAO, WENHUI YUEKAN, HAINAN JISHI, JINDAO, XIAOSHUO XUANKAN and ZHONGGUO DIANYING BAO. In addition, a number of publishing houses were axed, including the Sichuan Literature and Art Publishing House, China Folk Literature and Art Publishing House, and the Chinese and Foreign Cultures Publishing Company. Recently, the Zhuoyue Publishing Company, with Zhong Peizhang [6988 3099 1757] as its director, also was axed by the China Press and Publications Administration. The fifth council of the All-China Journalists' Association was convened last January. While the draft report to be delivered to the meeting was being prepared, the CPC top echelon gave explicit instructions that "press reform" should not be mentioned in the report; thus press reform has become a forbidden area in theoretical studies on the mainland today. All this shows that

the mainland authorities have tightened their grip on the press and have retrogressed to the times of "unanimous public opinion," as Mao Zedong proposed.

ZHONGGUO JINGJI XINWENBAO was an economic paper and has rarely been involved in political subjects, being void of radical political ideas during the 1989 prodemocracy movement. In rectifying the press, Xu Weicheng of the Central Committee Propaganda Department proposed that the All-China Journalists' Association should not run a paper and only units at ministry level are permitted to do so, with the aim of tightening up the grip on all media.

Xu Weicheng Made the Decision Arbitrarily

This arbitrary decision by Xu Weicheng has given rise to the unanimous opposition by the All-China Journalists' Association and the ZHONGGUO JINGJI XINWENBAO Office; they presented an appeal to Li Ruihuan, the Central Committee Political Bureau Standing Committee member in charge of ideology, requiring a counteraction to Xu's decision. At the same time, it was stated in the appeal that because the publication of the paper was stopped, many foreign embassies had called to make inquiries about the cause, resulting in unnecessary confusion. Li Ruihuan promptly wrote an instruction on the appeal, requiring "Xu Weicheng to settle the issue in coordination." Although this instruction was not an order by nature, its tendency was quite explicit. However, Xu Weicheng, the Central Committee Propaganda Department Deputy Director in charge of day-to-day business did not care a jot for Li Ruihuan's written instruction, turned a deaf ear to the opinion of the newly elected All-China Journalists' Association council, and insisted on stopping the publication of ZHONGGUO JINGJI XINWENBAO. Why did Xu Weicheng show no respect for Li Ruihuan? Obviously, Xu Weicheng and He Jingzhi have leadership over the press and literary and art circles, while resisting Li Ruihuan. We may get a clearer picture of this when we associate this incident with ZHONGGUO WENHUA BAO's attack on Li Ruihuan by innuendo.

Li Ruihuan Is Unable to Render Assistance

This being the case, we can see that Li Ruihuan has not yet gained his foothold.

Recently, news spread that He Jingzhi would be transferred to the office of the China Federation of Literary and Art Circles party group secretary. He Jingzhi has always wanted to be promoted to the Minister of Culture office, but now he will be demoted from "Acting" Minister to the aforesaid position; this shows that Li Ruihuan is gradually gaining strength.

Paper Appeals

*HK2502153391 Hong Kong TANGTAI in Chinese
No 64, 23 Feb 91 p 15*

[Report: "An Urgent Appeal of the ZHONGGUO JINGJI XINWEN BAO Office to the CPC Central Committee"]

[Text] In view of the matter's urgency, we require that the central authorities intervene in and halt the erroneous decision on halting the publication of ZHONGGUO JINGJI XINWEN BAO! We appeal to the central authorities "to save the paper's life"!

ZHONGGUO JINGJI XINWEN BAO is an economics paper run by the All-China Journalists' Association, appearing three times a week in open circulation at home and overseas. Since the paper's initiation six years ago, it has maintained political unanimity with the Central Committee. In particular, it was free of erroneous guidance to the public during the "turmoil and counterrevolutionary rebellion" in the summer of 1989. Over the past six years and more, the paper has served economic construction, influencing those at home and overseas, therefore it has merits but no faults in relation to the four modernizations. Financially, it has always assumed sole responsibility for profits and losses, without asking for a cent from the state, whereas it has handed over state taxes amounting to some five million yuan.

Since the rectification of the press, it was learned that Xu Weicheng, Central Committee Propaganda Department deputy minister, proposed to stop the All-China Journalists' Association running this paper. Over the past year or so, he has been bent on stopping our publication, disregarding facts, without any investigation, while placing his words above the law and being arbitrary and one-sided.

Owing to erroneous intervention, we have met rare conditions in our work. Consequently, we found it impossible to find a new unit to be in charge of our paper. To reflect our situation and to seek a solution to the issue, we submitted a report to Comrade Li Ruihuan, who is in charge of propaganda work. Comrade Li Ruihuan wrote an instruction on the report, requiring "Comrade Weicheng to settle the issue in coordination." However, the department in charge of the case failed to do anything in coordination, but stepped up the pace and resorted to all sorts of measures to force this paper out of publication. Last December, we submitted another urgent report to the Central Committee Propaganda Department and the central leadership, but have not received any further instruction.

Based on the truth-seeking ideological line formulated by the 11th Central Committee's Third Plenary Session and ZHONGGUO JINGJI XINWEN BAO's history and present conditions, reviewing its merits and faults and weighing the pro's and con's, the All-China Journalists' Association party group had conducted earnest discussion and submitted a report to relevant departments offering to continue to sponsor and act on this paper's behalf. However, the Press Rectification Group insists on carrying out to the letter the "stipulation" that newspapers must be under the charge of, and run by, ministry level administrative organs.

Stopping publication of ZHONGGUO JINGJI XINWEN BAO is no trivial matter. First, it has distorted the party

policy on rectifying the press, and confused readers at home and overseas (since the end of 1990, readers at home and overseas subscribers have been sending letters and cables to make inquiries). Owing to violating contracts with almost a hundred enterprises and subscribers, disputes over complicated debts will result in economic losses to the state, and factors of instability will make themselves felt owing to some 100 workers and staff members being out of jobs; it will be especially unfavorable to the party policy toward intellectuals and the situation of stability.

In short, rashly halting the publication of ZHONGGUO JINGJI XINWEN BAO is groundless, based on the law and policy. Should the paper be "sentenced to death after being found not guilty," this will never convince the masses that this is sensible or reasonable.

Since the matter is of great importance and the situation is urgent, we propose that the central authorities give a prompt order to relevant departments to investigate and conduct research at the ZHONGGUO JINGJI XINWEN BAO office to stabilize the situation and reduce losses to a minimum.

We will continue to send urgent reports to the central authorities according to the situation's development.

[signed] The ZHONGGUO JINGJI XINWEN BAO Office [handwritten] on the evening of 5 February 1991

NPC Standing Committee Discusses Legislation

OW2602133691 Beijing Domestic Service
in Mandarin 1030 GMT 26 Feb 91

[From the "National Hookup" program]

[Text] Members attending the 18th meeting of the Seventh National People's Congress [NPC] Standing Committee over the past two days have deliberated in group discussions the Draft Amendments to the National Emblem Law, the Draft Amendments to the Civil Procedural Law (for Trial Implementation), and the Draft Decision on Strengthening Comprehensive Efforts to Improve Public Order.

Members considered the Draft Amendments to the National Emblem Law quite appropriate and recommended the approval thereof by the current meeting.

In deliberating the Draft Amendments to the Civil Procedural Law, members unanimously maintained that the legislation plays an important role in handling civil cases correctly, settling disputes among the people, safeguarding national stability and unity, and ensuring social stability. Members suggested that after further revision, it be submitted to the Fourth Session of the Seventh NPC for examination and approval. Some members proposed strengthening public supervision of judicial personnel.

During the past two days, members also carefully discussed the Draft Decision on Strengthening Comprehensive Efforts to Improve Public Order. Many members maintained that formulating the decision now is very

necessary and timely. They suggested that the decision be passed as soon as possible.

Draft National Emblem Law

OW2502140191 Beijing XINHUA Domestic Service
in Chinese 0810 GMT 25 Feb 91

[Text] Beijing, 25 Feb (XINHUA)—Song Rufen, vice chairman of the National People's Congress [NPC] Law Committee, today delivered a report to the 18th meeting of the Seventh NPC Standing Committee on the results of examination by his committee of a draft of revisions of the Law on the National Emblem of the People's Republic of China. He said: The Law Committee believes that formulation of the law is necessary for safeguarding the dignity of the national emblem and making correct use of it. While regarding the draft as basically feasible, the committee has put forward opinions for making revisions.

1. According to the views of some committee members, it is suggested that a section be added to the draft as Section 2 that reads: "The Law on the National Emblem of the People's Republic of China was formulated in accordance with the 'Design of the National Emblem of the People's Republic of China' adopted by the Central People's Government Commission and the 'Explanation on Designing the National Emblem of the People's Republic of China' promulgated by the commission's General Office in 1950."

2. The draft stipulates that "people's governments at all levels" are to fly the national emblem. Some committee members have suggested that the law make no stipulations on the need for town and township people's governments to fly the national emblem because people's governments at those levels currently do not fly the emblem, and the office premises of some of them do not have the conditions for doing so. Therefore, it is recommended that the stipulation be revised to read: "People's governments at all levels from the county upward" are to fly the national emblem.

3. The draft stipulates that "the foreign affairs offices of all provincial, autonomous regional, and municipal people's governments with their own business premises" and "passenger trains under joint international operations" are to fly the national emblem. The design of the national emblem may be used on "various certificates and hat badges on which the State Council has approved use of the design of the national emblem," "the renminbi," "national border markers instituted in conjunction with neighboring countries," and "the jackets worn by sports delegations at the opening ceremonies of formal international athletic meets." Some committee members have indicated that those mandated by the law at issue to fly the national emblem or to use the design thereof are primarily organs and venues representing or symbolizing state power, and that specific stipulations regarding those that are authorized to use the national emblem or the design thereof may not be introduced into the law. To this end, they have proposed that the above-mentioned stipulation be deleted and the draft

revised to read: "The General Office of the NPC Standing Committee or the General Office of the State Council will make provisions in conjunction with competent departments regarding circumstances mentioned in this law that require the flying of the national emblem or the use of the design thereof."

Amendment to Civil Procedural Law

HK2602032391 Beijing XINHUA Domestic Service in Chinese 0809 GMT 25 Feb 91

[Report: "Wang Hanbin Suggests Submitting the Draft Amendment of Civil Procedural Law to the Fourth Session of the Seventh National People's Congress for Examination"—XINHUA headline]

[Text] Beijing, 25 Feb (XINHUA)—Wang Hanbin, vice chairman of the National People's Congress [NPC] Standing Committee and director of the Legal Work Commission, today made a report to the NPC Standing Committee on the draft amendment to Civil Procedural Law (for trial implementation). He suggested submitting the draft amendment of this law to the upcoming Fourth Session of the Seventh NPC for examination.

He said that the 17th meeting of the Seventh NPC Standing Committee had made an initial examination on the draft amendment of Civil Procedural Law (for trial implementation). From 15 to 26 January, the Law Commission and the Legal Work Commission held a discussion on the amendment of Civil Procedural Law (for trial implementation). Among those present were some 90 people, including responsible comrades from judiciary tribunals of civil affairs, judiciary tribunals of economic affairs, and courts at various levels; legal experts; responsible comrades from local People's Congress Standing Committees; and the relevant departments. They discussed the amendment of Civil Procedural Law (for trial implementation) provision by provision. The Legal Work Commission also distributed the draft amendment to the relevant departments of the central authorities, provinces, autonomous regions, municipalities under direct jurisdiction of the central government, legal experts, and institutions engaged in legal research and education, to solicit opinions from them.

In line with our national conditions, on the basis of eight years of practice and experience in passing judgments on civil affairs, and to cope with the needs of reform, opening up, and developing the socialist commodity economy, the draft amendment has provided additions and revisions to Civil Procedural Law (for trial implementation). Wang Hanbin said, adding that this draft amendment is necessary and feasible. He also proposed many ideas on the draft amendment. Based on the opinions of NPC Standing Committee members and people from all walks of life, the draft amendment was revised to increase the draft provisions from 243 to 261.

At the 18th meeting of the Seventh NPC Standing Committee, Wang Hanbin also provided explanations on jurisdiction, evidence, protection measures, and forced implementation of measures against disruption of

lawsuits; supervisory procedures for open hearings and trials; procedures for debt repayments by enterprises' legal entities; and procedures for making foreign-related civil lawsuits.

Public Order Decision

OW2602203191 Beijing XINHUA Domestic Service in Chinese 1426 GMT 26 Feb 91

[Text] Beijing, 26 Feb (XINHUA)—Group discussions were held during the 18th meeting of the Seventh National People's Congress [NPC] Standing Committee yesterday and today. While examining the NPC Standing Committee's Draft Decision on Strengthening Comprehensive Efforts to Improve Public Order, Standing Committee members noted that it is necessary to uphold the principles of combining stopgap measures with efforts to get at the root of a problem and crack down on crime with crime prevention, placing more emphasis on effecting a permanent cure, in order to cause a fundamental turn for the better in public order.

Standing Committee members universally endorsed the decision. Standing Committee members Zhou Zhanao, Ye Duzheng, and Fu Hao pointed out that strengthening comprehensive efforts to improve public order is very necessary because it concerns the questions of strengthening the building of a socialist spiritual civilization and the four modernizations drive; the decision was well-written and in accordance with China's basic principles and policies. They held that current public order is clearly improving, but the situation is still grim. Although there has been a marked reduction in ordinary crime, the decline of the number of major criminal cases has not yet reached desired levels. We have done a great deal of work, but results are not satisfactory.

Standing Committee member Hu Daiguang said that in improving public order through comprehensive efforts, legal means must be strengthened with fairly tough measures. Judicial organs and other law enforcement departments should coordinate closely in abiding by and strictly enforcing laws. While law enforcement departments should make things convenient for the masses by simplifying procedures, they should continue to build themselves into honest and clean law enforcement departments.

Standing Committee member Xu Yubei suggested that in carrying out comprehensive work to improve public order, it is necessary to take the mass line, rely on the masses, and coordinate with the masses in doing this job. It is necessary to earnestly inherit and develop the party's good experiences and traditions in doing public order work and to create a situation in which all sectors of society participate in the administration of public order.

Li Yuan, vice chairman of the Standing Committee of the Tianjin Municipal People's Congress, attending the current meeting as a nonvoting delegate, suggested that in carrying out comprehensive work to improve social

order, a strict responsibility system should be established. The situation in which no one is responsible or no one dares to shoulder responsibility must be eliminated. In some localities internal administration is chaotic and discipline is lax. When problems occur, leaders of relevant units are not held responsible. Some law-enforcement personnel dare not boldly assume administrative responsibility because they fear vengeful counterattacks; the social environment inflicts psychological pressure on the masses. They dare not care about social order because they also fear vengeful counterattacks. Therefore, there must be forceful measures to enhance the masses' consciousness as well as to protect their enthusiasm.

Standing Committee member Qu Tangliang said that crimes committed by youngsters account for a greater proportion of overall crime. In addition to strengthening ideological, political, and legal education among young people in order to raise their moral integrity, it is also necessary to adopt some specific measures and to pay attention to factors that induce youngsters to commit crimes. At the same time, it is necessary to solve the problem of youth unemployment.

Penalties for Petty Theft

OW2602193691 Beijing XINHUA in English
1522 GMT 26 Feb 91

[Text] Beijing, February 26 (XINHUA)—In the eyes of most ordinary Chinese, petty theft is a matter of disgrace or being immoral, not a real crime.

Two senior legislators, however, cast away such a traditional concept today and urged that a heavier penalty should be given to those "gentlemen on the beam", the term used to refer to pilferers in ancient China.

Zhou Zhanao and Song Chengzhi, both members of the Standing Committee of the National People's Congress (NPC) shared the idea that the penalty to pilferers from public security departments is too lenient.

It was learned that Chinese public security departments do not file a theft case for investigation unless it involves goods valued over 200 yuan.

This practice has only served to permit the spread of pilfering, which now is believed to have brought a great harm to the country's public order, they said.

Therefore, they added, greater efforts should be made by public security departments to combat petty theft and punish its perpetrators.

The two members voiced their opinions at the on-going 18th meeting of the NPC Standing Committee while discussing a draft decision raised by the committee on the comprehensive management of public security.

Most members agreed to enact such a decision so as to better protect social stability and reduce criminal activity.

Amendments to Foreign Concerns Tax Law

HK2602063591 Beijing XINHUA Domestic Service
in Chinese 0819 GMT 25 Feb 91

[Report: "Gu Ming Reports on the National People's Congress Law Committee's Suggestions for Amending the Draft Income Tax Law for Foreign-Invested Enterprises and Foreign Enterprises"—XINHUA headline]

[Text] Beijing 25 Feb (XINHUA)—Vice Chairman of the National People's Congress [NPC] Law Committee Gu Ming reported on the committee's suggestions for amending the draft law of foreign-invested enterprises and income tax of foreign enterprises to the 18th meeting of the Seventh NPC Standing Committee today.

He said: The Law Committee believes that it is necessary to integrate all the laws and regulations governing the income tax payment of foreign-invested enterprises and to formulate a unified income tax law for foreign-invested and foreign enterprises so as to better meet the needs of opening up. The draft law is seen as basically feasible and some suggestions for amendment also have been forwarded.

The introduction to the draft law suggests: "The principle of enforcing the new and better law is applicable to the enterprises established prior to the promulgation of the tax law, which means the new tax law should be applied to them in principle. However, for those enterprises that under the new tax law will have to pay more taxes or enjoy less preferential treatment than before, application of the former tax law is permitted until the granted operation period expires." Some committee members, localities, and departments acknowledge it as necessary, but hold that the above principle should be stipulated in this law. Therefore, they suggest an additional stipulation to the draft law: "For the foreign-invested enterprises established prior to the promulgation of this law, if their income tax rates under this law are increased or the preferential terms of reduction of or exemption from income tax they used to enjoy are decreased, compared to before this law went into effect, the previous law and relevant regulations of the State Council are applicable to them until their granted operation period expires. If no expiry date is specified, the previous law and relevant regulations of the State Council hold good to them within the period prescribed by the State Council. The specific methods are to be determined by the State Council."

The draft law stipulates: "The enterprises established in special economic zones and the productive enterprises set up in economic and technological development zones enjoy a reduced income tax rate of 15 percent" and "the productive enterprises established in coastal economic development zones enjoy a reduced income tax rate of 24 percent." Some committee members, localities, and departments mention that there are still some State Council regulations regarding reduction of income tax rates that are not included in the above stipulations. They should be stipulated in this law. Therefore, they

suggest an additional stipulation under this article: "The foreign-invested enterprises established in some other regions defined by the State Council and operating in the fields of energy, transportation, port, dock, or other projects that are encouraged by the state, may enjoy a reduced income tax rate of 15 percent. The specific methods are to be determined by the State Council."

Article 10 of the draft law reads: "Any adjustment to the reduction or exemption of enterprise income taxes when the state is encouraging or restricting certain professions or projects in which foreign businessmen invest will be determined by the State Council." According to the suggestion of some committee members, localities, departments, and legal experts, this article should be modified as follows: "Any extension of exemption or reduction of enterprise income taxes when the state is encouraging certain professions or projects in which foreign businessmen invest will be determined by the State Council." (Article 10 of the proposed amended draft law) Further studies are to be conducted on how to determine the period for exemption or reduction of enterprise income taxes when the state restricts certain professions or projects in which foreign businessmen invest.

Gu Ming said: According to the opinion of some committee members, localities, and departments, the Law Committee suggests more specific regulations be made regarding the punishment for any violation of the relevant articles in this law.

Draft Conservation Law

OW 2602130191 Beijing XINHUA Domestic Service
in Chinese 1112 GMT 25 Feb 91

[Text] Beijing, 25 Feb (XINHUA)—Premier Li Peng submitted the State Council motion to deliberate the Draft Law of the People's Republic of China for the Conservation of Water and Soil to the 18th Standing Committee Meeting of the Seventh National People's Congress, which opened today. The motion says: To prevent and harness soil erosion; protect and rationally utilize our water and soil resources; reduce the effects of floods, droughts, and windstorms; improve the ecological environment; and promote production the executive meeting of the State Council has adopted, after deliberation, the Draft Law of the People's Republic of China for the Conservation of Water and Soil, which was drafted after extensive investigations and research.

Entrusted by the State Council, Yang Zhenhuai, minister of water resources, gave an explanation of the draft law today. He said: Since the founding of our People's Republic, we have achieved remarkable success in the prevention and harnessing of soil erosion under the leadership of the party and the people's government, and with the hard work of millions of people. In quite a number of localities, however, efforts to repair the soil are offset, or more than offset, by damage done. In particular, the continued expansion of energy development and construction projects have further worsened soil erosion. At present, the area affected by soil erosion in the country is much larger than that of the early

1950's. Therefore, it is essential and urgent for us to prevent and harness soil erosion, formulate a law for conserving water and soil, and increase the prevention of soil erosion through legislation.

Yang Zhenhuai said: The salient feature of the draft law is that it establishes a new guiding principle for water and soil conservation that "puts emphasis on prevention," replacing the policy of "placing equal emphasis on prevention and harnessing" as provided in the existing regulations for water and soil conservation. It gives first priority to prevention, protection, and supervision, and puts an end to the situation in which harnessing is emphasized to the neglect of prevention. This guiding principle is applicable not only to areas where the extent of soil erosion is less severe, but also to areas with serious soil erosion, that is, first to bring soil erosion under control, and do a good job in prevention and protection while simultaneously protecting the fruits of our work in a conscientious manner so as to prevent the soil from being eroded again.

Yang Zhenhuai said: While doing a good job in prevention and protection, we also should harness land seriously affected by soil erosion in a planned and systematic way. Ending serious soil erosion is not only required by today's economic development but also is an important prerequisite for the survival and development of the Chinese nation. To mobilize resources of all sectors to harness soil erosion, the draft law provides regulations on ways to harness land already seriously affected by soil erosion, depending on the circumstances of each case. It stipulates that the erosion caused by capital construction and production units in the course of carrying out their work must be harnessed in accordance with a soil preservation program.

He said: The task of preventing and harnessing soil erosion in our country is an arduous one, requiring huge amounts of work. Therefore, we have to fully rely on collective economic organizations and the vast masses. At present, around 20,000 square kilometers of eroded land are being harnessed annually, half of which are priority areas harnessed with state and local support. Most of the severely affected areas, however, are impoverished ones. In light of the fact that the prevention and harnessing of soil erosion is a public undertaking that requires huge input, does not yield quick returns, generates tremendous social benefits, and is difficult for the local people to carry out on their own, the draft law stipulates that tasks in government-approved water and soil conservation plans are to be incorporated into economic and social development plans, complete with allocations for their implementation. The state encourages peasants and collective economic organizations in affected areas to prevent and harness soil erosion as well as to give support with preferential policies in funding, energy, grains, and taxation.

He Xin Named Strategic Research Institute Chief

HK2702014591 Hong Kong SOUTH CHINA
MORNING POST in English 27 Feb 91 p 8

[By Willy Wo-Lap Lam]

[Text] A conservative Marxist theorist and futurologist has been appointed head of a new think tank in the State Council, sources said yesterday.

Mr He Xin, 41, a former assistant researcher in the Chinese Academy of Social Sciences, has been named director of the newly created National Strategic Research Institute (NSRI) of the central Government.

The institute will give first-hand reports to Prime Minister Mr Li Peng on issues of global strategy, especially developments in the "post-Cold War" scene including the rise of "new hegemonism" and the fate of the remnants of the socialist bloc.

As Mr Li is head of the Communist Party Central Committee's Leading Group on Foreign Affairs, recommendations by the institute are expected to have a major impact on Chinese diplomacy.

The appointment of Mr He to head the NSRI, which affords him at least vice-ministerial status, marks the climax of the meteoric rise of the futurologist.

Article Warns Against Unrepentant 'Evildoers'

HK2702011391 Beijing RENMIN RIBAO in Chinese
21 Feb 91 p 3

[Article by Wu Hao (0702 8504): "Laying Down Butcher's Knife May Not Enable One to Become a Buddha"]

[Text] "Lay down the butcher's knife to immediately become a Buddha"—this was originally a Buddhist teaching intended to convince people to abandon evil and mend their ways, and not a Buddhist insurance policy for evildoers.

Why do evildoers lay down the butcher's knife? At least four conditions are likely to have taken place: 1) There is an intention to abandon evil and mend one's way, reform oneself thoroughly, and turn over a new leaf; 2) The situation and pressure combine to force one to lay down the butcher's knife; 3) The main tasks have been accomplished and those who should be killed have been killed, hence there is a need to put on a new face; 4) Old age and poor health lead to the inability to lift the butcher's knife, hence the military armor is taken off and replaced by a monk's saffron robe and Buddhist beads in order to become a "good person." Among these four conditions, only in the first case is it possible to enter Buddha's door and turn over a new leaf after laying down the butcher's knife. As for the other three conditions, the laying down of the butcher's knife may be true, but mending one's ways is false, hence it is not possible to turn into a Buddha, nor to become one immediately. If no distinctions are made and if all those who lay down

their butcher's knives are readily believed to be capable of turning into Buddhas, then that would be letting off the murderous butchers too easily! Would it also not indicate that butchers actually have a shortcut to becoming Buddhas?

In comparison, it is those who have laid down their butcher's knives but who remain unrepentant who can deceive people easily. The exploitation of the Tibetan people by the reactionary slaveowners of Tibet, their cruel torture of the slaves and the brutal killings committed by them are now historical facts. Yet after fleeing abroad, some of these people actually raised the banner of "democracy," "freedom," and "human rights" and became "human rights fighters" overnight! What is astounding is that some people who are kept in the dark actually believe their ridiculous words.

In fact, the key to whether or not one can become a Buddha does not lie on whether one lays down the butcher's knife or not. Among the gods in Chinese legends, the two warriors Heng [0774] and Ha [0761] are both armed; the four Heavenly Kings and the old Lord Wei Duo [7279 7461] are armed; Guan Yunchang of the Temple of General Guan does not carry arms himself, but his bodyguard Zhou Chang always stands beside him with a huge green sword with a dragon engraving. In Volume 102 of the *Dream of the Red Chamber*, Jia Ao invited a Taoist priest to exorcise the Dagan courtyard. At the altar place were the figures of three gods, flanked on either side by the statues of 28 generals and of the four great warriors of Ma, Zhao, Wen, and Zhou, all of them armed with weapons. The Gods of Wealth who administer economic affairs on Earth are classified under two categories: civilian and military. The civilian Gods of Wealth are dressed in civilian clothing, while the military Gods of Wealth are dressed in heavy armor. The *Tales of the Gods* [Feng Shen Yan Yi 1409 4377 3348 5030] recounts that the great General Lord Zhao had under him eight fierce warriors, six vicious gods, powerful gods and brave soldiers from five directions, and 28 generals, all of whom are armed. It appears that whether or not one lays down the butcher's knife does not determine whether or not one becomes a Buddha. The key lies in how the weapons on one's hand were used and who they served.

More than 40 years ago, at the time when the Chiang Kai-shek regime was being toppled, Chairman Mao said: "According to logic, the conclusion on Acheson should be... 'lay down the butcher's knife to immediately become a Buddha,' 'bandits should mend their ways to turn over a new leaf,' accord the Chinese people equal and mutually beneficial treatment, and refrain from again carrying out disruption." In fact, Mr. Acheson did not abide by this logic. Neither did many important persons in the U.S. political circle, like Dulles. After being forced to lay down the butcher's knife, they immediately resorted to the "peaceful evolution" method, refusing to yield unless the CPC was destroyed and socialist China changed color. In effect, it is our own comrades who at times are too naive and who easily

believed their ridiculous words about "laying down the butcher's knife to immediately become Buddha."

Party School Professors Write 'Pen Talks'

Future of Socialism

HK2702022791 Beijing RENMIN RIBAO in Chinese
18 Feb 91 p 5

["Pen Talk" under the heading "Only Socialism Can Develop China" by Professor Wu Xiongcheng of the Central Party School: "Have Firm Conviction and Strengthen Confidence"]

[Text] The current campaign of learning socialist theories is aimed primarily at eliminating people's perplexities and misgivings about socialist problems, reinforcing their conviction in socialism, and strengthening their determination and confidence in building socialism with Chinese characteristics. How will we reinforce conviction and strengthen confidence? I think we should pay attention to the propagation of theories and ideological education and help people grasp socialism through its theories, history, and present situation so they will have a deep understanding of the inevitability, protracted nature, tortuousness, and superiority of socialism, and they will have a firm conviction that socialism possesses strong vitality and will finally win the victory in the world.

First, theoretically speaking, it is necessary to arm cadres and the masses with the knowledge of the objective law of human social and historical development, be certain about the historical inevitability of socialism and the rationality of its existence, and notice the general trend of historical development and the tortuousness of the road ahead. Socialist historical determinism is not fatalism. Although the objective law of social development is independent of man's will, its realization is not spontaneous; people must participate in it. Since men's minds and actions are controlled by various factors, such as their specific social and historical conditions and their personal quality during their participation in historical activities (especially those outstanding people who lead historical movements), they inevitably will stamp their unique marks on historical development. Therefore, the emergence and development of socialism is the result of the mutual functioning of objective law and subjective activity. The vitality and superiority of socialism are reflected in the process of dialectical movement of inevitability and fortuity and of possibility and reality in historical development. The temporary stability and prosperity of contemporary capitalism have not eliminated its inherent contradictory, decadent, and declining nature, and will not change the historical trend of its inevitable decline. Only if we observe socialism with the dialectical materialist and historical materialist world outlook and historical view can we see clearly, stand permanently on the side of the newborn socialist system, and be full of the spirit of revolutionary optimism.

Second, we should study history, initiate and boost people's morale with the facts of modern world history and the history of international communist movement, properly handle the tortuousness of the process of historical development, and build up a faith that socialism will surely win. One hundred and forty years ago, when communism was still a "spirit" hanging around in Europe, Marx and Engels, as young men, established the Communist Alliance, the first political party of workers. And at a time when they only had 200 followers, they dared announce: "Let the ruling party tremble before the communist revolution! In this revolution, the proletariat will only lose their chains, and they will obtain the whole world." In July 1921 when 13 participants, representing over 50 party members throughout the country, announced at a meeting in Shanghai that the CPC was founded, they dared state that the party's goal of struggle was forcibly to carry out thorough social revolution, seize political power, establish the dictatorship of the proletariat, eliminate the public ownership of the means of production, and practice communism. By contrast, the strength of our communists today is much greater and our base is much firmer. Are not the difficulties and setbacks we encounter today simply nothing compared with those 140 years and 70 years ago? When the curvilinear law, which rises in a spiral manner, appears in historical development, we should permanently adopt a forward-looking attitude.

Third, when we look at reality and calmly observe and analyze the overall situation, we will know that the temporary partial tortuousness can neither cover up the glorious achievements of socialist development in the 20th century, nor change the inevitable trend that socialism will finally win. Numerous facts show that the Marxists in countries that have experienced the pain of losing their political powers are making painful reflections, summarizing experiences and lessons, and gathering new strength all over again for a new struggle. For the great party that Lenin established and the countries that have already had more than 70 years of socialist history, people hope to reform, rejuvenate, and develop socialism through reform. They never agree to abandoning socialism or disintegrating it. In West Europe and North America, and in numerous developing countries, communists and those who believe in Marxism are vigorously struggling, in their thousands and tens of thousands, to seek the answers to their countries' social development; needless to mention the number of countries that are unswervingly advancing on the road guided by scientific socialism, and socialist China which has a population of 1.1 billion. The future of socialism is very bright. Some people are perplexed and think the road is too tortuous and "too long" and the brightness of the future "cannot be seen." This is a one-sided and short-sighted view. We should admit that although the road is tortuous and long, it is certain and doubtless that the future will be bright.

To reinforce conviction and strengthen confidence, theoretical propagation and ideological education naturally play an

indispensable role that cannot be neglected. However, to put an end to this problem once and for all, we naturally need to rely on the success of socialist practice and on the continued development of various socialist undertakings during construction and reform. Therefore, properly doing our jobs, following the party's basic line of "one center, two basic points," and building socialism with Chinese characteristics is particularly important.

In insisting on socialism, there is a question regarding how we should practice it so it functions well. We must continuously summarize historical experience, absorb the things that have proved effective in all parts of the world and are useful to China, and explore and resolve the new problems we encounter in reality. For example, the form of public ownership of the means of production; the effective mode that integrates the planned economy and market regulation; the improvement and development of socialist democracy and legal system; the struggles in the ideological realm and ideological and political educational work; and upholding the ruling status of the Communist Party and reinforcing its development. In coping with these problems, we should proceed from reality, study them thoroughly, and master their inherent laws, and eventually find a set of good methods. In this way, we can do our jobs more actively and consciously and gain more positive results.

The decade of the 1990's is a very crucial period for China's historical development. We must definitely seize the opportunity to boost the economy, develop and enhance our own comprehensive national strength by all means, and make our due contribution to socialism around the world. We will enter the 21st century with full confidence. We are firmly convinced that the 20th century is the century in which socialism was brought forth and was advancing on a tortuous road, and that the 21st century will be the century in which socialism will score greater successes. The future belongs to socialism!

Marxism-Leninism's Role in Reform

HK2702113491 Beijing RENMIN RIBAO in Chinese
18 Feb 91 p 5

["Pen Talk" under the heading of "Only Socialism Can Develop China" by Professor Wu Zhenkun (0702 2182 0981), of the Central Party School: "Where Does the Key to Adherence to Reform's Socialist Orientation Actually Lie?"]

[Text] The nature of our country's socialist society determines that our reform be carried out under the socialist system and a self-perfection and self-development of the socialist system. Therefore, we must adhere to our reform's socialist orientation.

Economically speaking, the key to adhering to the socialist orientation lies in upholding the status of socialist public ownership as the main body. What is called the status of socialist public ownership as the main body means that it is the majority, or occupies an advantageous position, among all ownerships in the

entire society. This main-body status is extremely important. From either a historical or contemporary point of view, the nature of any society is determined by its leading form of ownership. A slave society is a slave society because the ownership by slaveholders is this society's main body; a feudal society is a feudal society because the ownership by feudal landlords is this society's main body; a capitalist society is a capitalist society because capitalist private ownership is this society's main body.

The principle that a society's form of ownership determines its nature is also perfectly applicable to a socialist society. It is public ownership's main-body status that imparts a socialist nature to our country's society. When public ownership has the main-body status, socialism is guaranteed; when public ownership is no longer in that position, socialism will be lost. It is under the precondition of preserving public ownership's main-body status that we practice the long-term coexistence of various economic sectors and allow the existence and development of individual and private economies. The development of economies under nonpublic ownerships must not undermine the public ownership's main-body status. Only by adhering to public ownership's main-body status can we guarantee the economic and political status of the working people as masters, have unified social interests and a strong material basis, reach the goal of common wealth for the entire community, and consistently preserve society's strong cohesion. Therefore, in order to adhere to reform's socialist orientation, we must staunchly uphold public ownership's main-body status and oppose overall privatization.

Despite its vital importance in adhering to reform's socialist orientation, upholding public ownership's main-body status alone is far from enough. The domestic ideological trend of bourgeois liberalization and the various kinds of antisocialist waves in the world have this common characteristic: Apart from advocating privatization with all their might, they try their best to oppose Marxism-Leninism, stand for ideological pluralization, oppose the communist party's leadership and proletarian dictatorship, propose the installation of multiparty systems and parliamentary democracy, and eventually ruin socialism. The reality of struggles at present shows that in order to adhere to reform's socialist orientation, we first must uphold society's socialist nature and orientation. This is the basic precondition and fundamental guarantee of the adherence to reform's socialist orientation. And to uphold society's socialist nature and orientation, we must staunchly uphold the four cardinal principles. The four cardinal principles define our country's basic economic, political, and cultural systems and the fundamental guiding ideology of the party and the state; point out the direction for our country's social development; embody the nation's fundamental interests; and function as the basis for running our country. Without holding on to the four cardinal principles, we will experience serious ideological turmoil, political division, social turbulence, and splitting of nationalities, and socialism will no longer exist. Therefore, upholding the four cardinal principles is the key of keys to the adherence to reform's socialist orientation.

In upholding the four cardinal principles, we must hold on to the banner of Marxism-Leninism in both theory and practice. As far as China's modern and contemporary history are concerned, the gunshot of the October Revolution of 1917 brought Marxism-Leninism to China and gave birth to the CPC, which then led the whole Chinese nation to win the democratic revolution's victory. Current practice shows that any party or country attempting to change its socialist orientation invariably starts by abandoning Marxism-Leninism and practicing political and ideological pluralization, and then causes the party's ruling position and the regime's nature to change. All this goes to show that the banner of Marxism-Leninism guarantees everything and that discarding the banner of Marxism-Leninism means discarding everything. Therefore, adhering to Marxism-Leninism is the underlying principle of upholding the four cardinal principles, and furthermore, that of adhering to reform's socialist orientation.

Bourgeois Theory of Free Choice

HK2702042191 Beijing RENMIN RIBAO in Chinese
18 Feb 91 p 5

["Pen Talk" under the heading "Only Socialism Can Develop China" by Professor Gao Guang (7559 0342) of the Central Party School: "Uphold Dialectical Unity of the Theory of Historical Determination and the Theory on Choice of Subjects"]

[Text] In 1846, a year marked by the birth of Marxist philosophy, petty-bourgeois ideologist Proudhon wrote a book entitled *The Philosophy of Poverty*. In this book, Proudhon opposed Marxist historical materialism with historical idealism in an attempt, under the prerequisite of preserving the private ownership of capitalism, to design a series of plans for breaking away from poverty. Marx wrote *The Poverty of Philosophy* to criticize Proudhon's philosophical and economic ideologies. Karl Raimund, an influential Western philosopher of our time, published a book entitled *The Poverty of the Theory of Historical Determination* in the 1990's. He admitted that "the title of this book hints at one of Marx's works entitled *The Poverty of Philosophy*," thus baring his opposition to Marx's historical materialism. The focus of this book is to assert categorically that there are no objective laws in history, and therefore no predictions can possibly be made. Raimund denounced the theory on historical determination as "a special form of fatalism" and "a fatalism on historical trends." He regarded utopia as a synonym for the theory on historical determination, and considered socialism and communism utopia.

Whether or not there are objective laws in human history has long been one of the points at issue in the dispute between historical materialism and historical idealism. Marxism brought to light for the first time in human history the objective laws governing the development of human society by pointing out that human society, like the natural world, "is a natural historical process." However, objective laws are also different from social laws: The laws of the natural world are independent of

human activities, and are realized through the mutual effect among the blind strength of the natural world, while social historical laws are realized through activities of man, who is the main body of social life. Marx pointed out: "History is nothing more than activities of man in pursuit of his own goals," and social laws "are laws of man's own social conduct." Raimund did not understand that social historical laws are laws governing man yet, at the same time, independent of man's will. He exaggerated man's subjective initiative and considered that objective laws would change under the influence of subjective initiative. The Marxist theory on historical determination is not only incompatible with fatalism, teleology, and preformation, but also with the theory of volutarism and the theory of free choice in the conception of history. Marxist theory of determination reveals that the development of productivity is a final source leading to changes in social system, structures, and ideology, thus bringing to light objectively the dialectical process and regularity of the development of human society. At the same time, it will by no means deny subjective initiative. The revolutionary changes realized by Marxist philosophy can fully expound subjective initiative on the basis of practice. Choice is a glaring expression of subjective initiative. The theory of choice advocated by historical materialism is based on people's correct understanding of objective laws and conditions for their realization, that is, make choices in practice in accordance with objective laws. While making best choices among various "possibility spaces" during the development course of things, the choice of subjects is included in the chain of necessity. In the idealist theory on choice of subjects in the conception of history, history is regarded as people's wanton creation of subjects, and the objective laws of social history are totally denied. This is the "theory of free choice" in the conception of history.

The following conclusion can be reached if approaching things from historical materialism: It is a historical necessity that the Chinese people have taken the road of socialism. Judging from international conditions, imperialist aggressions blocked China's way to independently develop capitalism. It was not until the Russian October Revolution, which brought us Marxism and showed clearly the future of socialism for China, did the Chinese national-democratic revolution become a component of proletarian socialist revolution. On the domestic front, the weakness of the national bourgeoisie, resulting from underdeveloped national industries, rendered it unable of becoming a leader of the national-democratic revolution. The Chinese proletariat alone, subjected to a threefold oppression, was imbued with revolutionary firmness and thoroughness, and therefore the responsibility of guiding the Chinese national-democratic revolution historically fell to the Chinese working class and its political party, the Communist Party. These are the very international and domestic conditions that have decided that it is a historical necessity that China take the road of socialism, and that the choice of socialism by the Chinese people and the CPC is the only correct choice.

Denial of objective laws in social development and advocacy of the "theory of free choice" of subjects is a major theory in contemporary anti-Marxist trends of thought, and also a theoretical basis for those who propagate the "theory on failure" of socialism, consider socialism a "utopia" and a "premature baby," and deny the historical necessity that socialism replace capitalism. History proves incontrovertibly that Marxist philosophy will constantly enrich and develop itself with the progress of human civilization. Therefore, this by no means represents the "poverty of the theory on historical determination," but the poverty and bankruptcy of the "theory on nonobjective laws in history." This is also a conclusion of history.

Educating Young on Socialism

HK2702041191 Beijing RENMIN RIBAO in Chinese
18 Feb 91 p 5

["Pen Talk" under the heading "Only Socialism Can Develop China" by Professor Shen Chong (3088 0394) of the Central Party School: "Responsibility Entrusted Us by Development of Socialism"]

[Text] From the outcome of the theory of scientific socialism to the present, the cause accomplished by the communists, our elder generation, was to turn the scientific theory of socialism to reality. Based on practice, they underwent twists and turns and eventually gained a clear idea of the national conditions of the semicolonial and semifeudal old China amid the complicated and confusing situation, realized the laws governing their development, and made the correct choice of the socialist road via the new democratic revolution. Regarding the question of whether China should follow the road of socialism, the elder generation presented an outstanding answer, and it should not have become a problem today. Moreover, no attention need be paid to the lie that communism has "totally collapsed," spread by those hostile to socialism by utilizing the setbacks that are unavoidable in the development of socialism. As young people have doubts because of their lack of historical knowledge, it is necessary to conduct reeducation in history among them. Those with rich historical knowledge and experience of life are duty-bound in this regard. For the communists, and particularly for leading cadres at all levels, who experienced the change from old to New China and who currently are leading the people of the whole country in practicing socialism, the current pressing task is to face the new challenge, correctly understand and summarize the experience and lessons drawn from the practice of socialism, and seek countermeasures to enable the socialist cause to step out of the "low ebb" and march toward future victory. The task of answering the question of how to uphold and develop socialism in practice has been historically placed on the shoulders of the communists of this generation.

The vitality of socialism lies in its practical nature. When the scientific theory of socialism was transformed into reality, that is, not long after the victory of the October

Revolution in Russia, Lenin penetratingly pointed out: "The whole thing now is practical work, the historical moment has arrived when theory is being transformed into practice, is enlivened by practice, corrected by practice, tested by practice." (*Selected Works of Lenin*, Vol 3, p 398) The Chinese people who have undergone the practice of socialism over the past 40 years have profound experience in this regard. The great socialist practice carried out by the people of the whole country under party leadership since the Third Plenary Session of the 11th CPC Central Committee has further enriched the theory of socialism. Guided by this developed socialist theory, the practice of China's socialism has been upgraded to a new stage.

Even in this case, we should be soberly aware that socialism is still at its initial stage. Although our understanding of the laws of socialism has been deepened compared with the elder generation, Comrade Mao Zedong's admonition that "there is still a realm of necessity not yet realized" still has practical significance. It seems to be all the more pressing to realize this realm of necessity gradually, by summarizing historical experience so we can obtain more freedom in practice, particularly at present when socialism is faced with new difficulties. Naturally, the ultimate victory of socialism is a relatively long course and our understanding of the laws of socialism cannot be acquired overnight. As Engels said: "Our understanding can be acquired only under the conditions of our times and the extent of the conditions determines the extent of our understanding." (*Selected Works of Marx and Engels*, Vol 3, p 562) Nevertheless, as the subject of practice and where historical conditions allow, it is absolutely possible to consciously remold our subjective world, improve our qualities, deepen our cognitive ability, and markedly reduce blindness. As long as the leading cadres at all levels have consciously recognized this point, it will be easy for us to handle our work.

Article Urges Social Insurance Reform

HK2602133991 Beijing JINGJI RIBAO in Chinese
2 Feb 91 p 3

[Article by Gao Shangquan (7559 1424 0356): "It Is an Urgent Task To Establish A Social Security System"]

[Text]

1. The Significance and Necessity for Social Insurance System Reform

Reform of the social insurance system is needed if social and economic stability are to be realized. Reform of the social insurance system is an important integral part of economic structural reform and can offer a timely guarantee of basic necessities for the most needy, such as elderly retirees, unemployed workers, injured or handicapped workers, and families of the deceased. For precisely the same reasons it has a more powerful role as a social stabilizer.

The need to reduce the pressure of an aging population demands that there should be reform of the social insurance system. Our country is currently facing the increasingly grim challenge of an aging population. The first aspect of the problem is the fast rate at which the population ages; the second is that this rate is faster than the rate of economic development. By 2000, even if our economic development is comparatively good, the population's age structure will have entered the gerontological stage and the number of old people each active laborer will be supporting then will be comparable to the 1980 level in advanced countries. When our country becomes an old-age society in 2000, retirement and old-age pension expenditures will amount to some 100 billion yuan, a burden quite beyond our financial capability. The current retirement fund system is based on immediate receipts and payments and does not have long-accumulating reserves and, as such, does not address the needs of the aging. Therefore we must seize the moment and promptly formulate a proven efficient social insurance system and build an old-age savings fund system to avoid or reduce the many social and economic problems likely to arise from a sudden and rapid increase in the old-age population.

The need to guide consumption and increase capital input correctly in production and construction demands that there should be reform in the social insurance system. In late 1989, staff retirement expenditures, socially coordinated insurance, and unemployment insurance funds in our country's whole-people ownership units totaled over 8 billion yuan. If in the next stage we go ahead with the legally prescribed and compulsory savings fund system and gradually build an old-age insurance system for workers in city and town enterprises, township and town enterprises, and "three-capital" enterprises, and individual laborers and peasants in some wealthy areas (that is those with an annual per capita income of over 700 yuan), initial calculations show that we could collect about 30 billion yuan for the old-age foundation fund from premiums paid by individual laborers and units. The raising and rational use of such a large fund carries the important realistic significance of adjusting the consumption structure, slowing down and easing consumption outlays, curbing inflation, easing the contradiction of insufficient construction funds, and increasing effective investment and supply.

The need to deepen enterprise reform and adjust the production structure demands that there be reform in the social insurance system. Setting management decision-making powers for enterprises, implementing the enterprise bankruptcy law, the survival and stable development of various economic elements, rational mobility of the labor force and progress in improvement and rectification, and so on, all urgently require that, in line with development, there should be established as quickly as possible a social insurance system for old age, unemployment, medical care, and occupational injuries. Our country's production structures, product mixes, and enterprise organizations and structures are extremely irrational, the situation of overlapping construction and

production being very serious. The current weak market has provided an excellent opportunity for structural adjustment which, however, has so far made little progress, not being blessed with coordination of social insurance reform. The enterprise bankruptcy law was promulgated and took effect long ago without, so far, any real bankruptcy cases being reported, chiefly because worker and staff unemployment insurance has failed to provide any post-bankruptcy arrangements.

II. Present Status and Chief Problems of Social Insurance System Reform

The reform of our country's social insurance system started with the launching of overall social old-age insurance among state-run enterprise workers in 1984. The socially coordinated administration of workers' retirement funds initially eased the contradiction whereby either the absurdly light or absurdly heavy burdens of retirement expenditure between new and old enterprises, guaranteed the livelihood of retired workers and promoted social stability and unity. Old-age insurance in rural areas is still in an experimental stage and very small in scope, but the peasants who have joined this insurance group have all seen their old-age livelihood initially taken care of. The insurance has not only played an active and promoting role in guiding consumption and putting people's minds at ease, but also caused changes in the traditional method of maintaining one's livelihood—namely, hedging against old age by raising sons. Viewed overall, however, the current social insurance system basically remains a traditional one incapable of meeting the demands of reform and opening up, the development of a planned commodity economy, or dealing with the pressures of aging. The chief problems of the current social insurance system are: **1. The problem of the method of fund collection.**

The current method of fund collection for our country's social insurance system has the following characteristics: One, outlays determine the amount of funds raised and receipts and payments are all made on an ad hoc basis; two, socially coordinated arrangements differ in scope in provinces, prefectures, and counties, with the county-scope accounting for a major proportion; and three, except for some token payments by contract workers, individually the insured usually do not pay any social insurance fees. All fund resources come from the state and enterprises.

Now, concerning the method of fund collection for our country's social insurance system, consideration must be given to the following four aspects: One, whether to continue with the immediate receipt and payment system or to initiate a fund accumulation system. Two, whether to pursue socially coordinated insurance or individual saving fund insurance fixed in the form of law, or a combination of the two. Three, should the insured individual be responsible for a certain proportion of the insurance fee? Four, how should the fund be raised? Is it to be in the form of a social insurance tax or should we maintain the present payment method?

Some of the above four problems have become clearer by now, and people's understanding of them has become relatively uniform. For instance, making individuals pay for part of the expenditure is not a problem now. What remains is the problem of when and how, but there is great debate concerning the former two problems because, in a sense, we are caught in a dilemma. Regarding old-age insurance, for instance, we are under pressure from an aging population and retirement, and this type of insurance is in fact a long-term expenditure. Since outgoing expenditure is long-standing, incoming funds should also be raised in advance and accumulated over time. This way, the burden can be evenly spread over the long term, and the state will not be strapped with a heavy financial burden. Thus the pressure and contradictions of an aging population can be eased; however, on the other hand, we are not yet fully equipped with the range of premises and necessary conditions for the pre-arranging and accumulating method. Such conditions involve the endurance capacity of various circles, inflation, price and interest levels, the market and investment policies, levels of management, and so on.

Another problem concerning the mode of fund collection is whether to opt for a socially coordinated insurance or a legally prescribed individual saving fund insurance, or a combination of both. Social insurance is chiefly aimed at providing some sort of income protection (monetary or nonmonetary) for a social laborer who once enjoyed normal income but has lost, temporarily or permanently, the ability to work owing to factors beyond his control or against which he is unable to defend himself and, with this protection, guaranteeing a normal livelihood for him and his family. Therefore, the basic purpose of social insurance is social stability and justice. The chief means for realizing this basic purpose are raising and pooling funds, income distribution by means of social and regulatory measures, and expenditure and risk sharing. Specifically, income regulation and risk sharing operate vertically and horizontally—namely, as continuous income adjustment and risk sharing throughout the lifetime of an individual laborer and as income distribution and risk sharing spread among social laboring members. Socially coordinated insurance schemes are the traditional old-age insurance method in Western countries, geared toward a horizontal income adjustment and risk sharing among social members but now facing a dead end, confronted as it is with the problem of an aging population. This is even more true with the socially coordinated immediate receipt and payment mode. The insurance fund in such a mode, is obtained by redistributing the income of working people; in an aging society this will only make social and economic contradictions increasingly acute. Thus, if we expand the socially coordinated immediate receipt and payment mode to establish a socially coordinated accumulating foundation fund, the social cost is likely to be very high.

One typical form of legally prescribed individual saving fund insurance is the central provident fund scheme, which was originated in Asian developing countries, like

Singapore's Central Provident Fund Scheme, which was established in 1955 at a time of great economic difficulty. In Singapore's scheme, employers and employees each pay into an insurance fund that is saved in personal accounts. The provident fund scheme means that part of a laborer's entire income earned during his youth is saved for retirement, but the scheme plays a weak role in mutual aid and help. That is, in adjusting incomes and sharing risks among social members. In some welfare countries, because socially coordinated old-age insurance funds are reeling under the pressure of deficits and the threat of aging populations, and because the socially coordinated mode of basic insurance has been constrained by social and economic factors, foundation insurance (the provident fund) in the form of individual saving funds is on the rise.

We are still groping and probing which kind of fund collection method should be adopted by our country. One opinion suggests that we should build in cities and towns a socially coordinated mode for basic insurance. Another favors a collection method combining the socially coordinated immediate receipt and payment system and the legally prescribed individual-account saving fund system, cautioning that our country is not yet ready for the pursuit of a centralized, society-wide, socially coordinated basic insurance and that blindly seeking to expand the scope of socially coordinated insurance without a blueprint and being impatient for results from reform would be self-defeating. Moreover, a welfare provision system is quite inflexible and difficult to revoke once in place; we may find ourselves in a dilemma. We must choose a fund collection method that is relatively feasible for current conditions, carries few long-term risks, and has the socially coordinated insurance's functional merits of maintaining mutual aid while encouraging individual motivation for self-help. This will foster the concept of "saving for old-age livelihood" and overcome the problem of the state bearing too large a share in insurance schemes. Fund collection for social insurance should be undertaken in rational proportion between the state, enterprises, and individuals. First, we must break the custom of individuals not having to pay insurance fees and, for this reason, we must introduce the individual-account saving fund method. An experimental two-tier combination of socially coordinated basic old-age insurance and the supplementary old-age accumulative savings fund insurance installed in collectively owned enterprises in Fujian Province will very soon be extended to 70 percent of the whole province. From this we can see that the combined form of the socially coordinated immediate receipt and payment system and individual-account saving fund system better fits our country's national situation and the basic principles of social insurance. While state-run enterprises should introduce supplementary old-age saving fund insurance on the basis of a perfected socially coordinated insurance system, we should also establish in city and town collective enterprises a two-tier old-age insurance system—that is, the socially coordinated and savings fund systems. Workers in rural township and town

enterprises, peasants in wealthy regions, city and town individual entrepreneurs, and workers in privately-run and "three-capital" enterprises should establish, at the very start, an old-age savings fund insurance system and a mutual-aid fund.

2. The problem of preserving and increasing the value of the social insurance fund.

Judging from international experience, keeping and increasing the value of accumulated social insurance funds is a very tough problem, because fund investment is by nature different from commercial investment. The purposes of social insurance require that investments made be very safe and highly reliable while preserving and increasing the fund's value. This requires a range of social, political, and economic conditions as prerequisites. These include inflation rates, the maturity of the investment market, the question of whether departments of economic affairs enjoy full investment decision-making powers, investment management standards, and so on. Plainly our country's current conditions do not measure up to the objectively required standards, nor will they do so in the immediate future. Therefore, should we decide to launch an accumulative or partially-accumulative fund system, the problem of keeping and increasing the funds' value would be a constant headache.

3. The problems of managing social insurance. Presently there are two big problems with the management of social insurance. One is different and overlapping policies and administrative departments on the same issue and the lack of an overall coordinating and balancing mechanism, easily leading to interdepartmental administrative wrangling and shirking of duties. Second is the confusion of jurisdiction, with legislative supervision overlapping the executive functions of departments of economic affairs. Third, there is a lack of a strong supervisory mechanism. Therefore we must strengthen leadership and straighten out the management system. This is a key step in efficiently promoting reform of the social insurance system.

Apart from the above-mentioned three problems, in promoting social insurance system reform we must also pay attention to the following three problems: First, the choice of an insurance system must be made in a cautious manner. Before making any decisions, efforts must be made to seek opinions from all sides, especially dissenting opinions. All possible scenarios and difficulties must be accounted for. Second, reform and improvement of the social insurance system is a long-term project and we must not be impatient for results, but do things steadily and surely and gradually push for reform of the social insurance system. Third, even in individual pilot projects we must also take note of connecting pilot projects with the future general system. In the current situation, and for some time in the future, it will not be possible for our country's social insurance system to follow a unified model. But overall direction and targets should remain identical and differences between models, which would otherwise adversely affect labor mobility, should not be too great.

III. Lines of Thinking and Measures for Reform in the Social Insurance System

1. Gradually expand the scope of social insurance. The current social insurance system is small in scope. No workers in any small-scale collective enterprises in cities, towns, districts, counties and below; the recently formed collective enterprises; "three-capital" and privately run enterprises; individual industrial and commercial entrepreneurial enterprises; and township and town enterprises, have set up any retirement or old-age insurance systems. Since the beginning of the pursuit in rural areas of the contract responsibility system on a household basis with remuneration linked to output, old-age protection has been adversely affected. Therefore in cities and towns we must gradually enroll social laborers, whose wages are their primary source of livelihood, into different forms of social insurance. This must embrace workers in collectively owned and privately run enterprises, Chinese workers in "three-capital" enterprises, and people working as individual industrial and commercial entrepreneurs in cities and towns. At the same time we must gradually set up an old-age protection system in rural areas, but this can be done first in a small number of wealthy villages.

2. Old-age and unemployment insurance should be the key programs in a social insurance system; at the same time, a partially accumulative fund collection method should be instituted. In view of the demands of an aging population, the holding back of consumption in some sectors, and reform in social insurance whereby the state and enterprises have undertaken the whole of old-age expenditure, the first item to be tackled in social insurance reform should be old-age insurance. However, views differ on which kind of old-age insurance system and fund collection method best fits our country's national situation and development of the commodity economy. In comparison, the pursuit of partial accumulation and the combined fund collection method of a socially coordinated immediate receipt and payment system and legally prescribed individual saving fund system stands out above the rest. We can envisage that such a combined system can be tested first on social laborers not attached to units collectively owned by the whole people, such as the workers in "three-capital" enterprises, township and town enterprises, individual laborers, peasants in wealthy coastal regions, and so on. Such a method is not likely to have a great impact on finance. Of course, it better suits young people; for middle-aged and old workers we will have to find another transitory way. We should continue to study a fund collection model for old-age insurance for whole-people ownership units and for a way to turn the current practice into a system that chiefly features the payment of insurance fees by individuals and units. One thing is clear, however: The current socially coordinated retirement scheme must undergo further reform and improvement, including a gradual push for the practice of making individuals pay part of insurance fees.

3. We must study and formulate a range of macropolicies and measures for such things as the withdrawal ratio of social insurance funds, the levels of accumulation and preservation, and the increase of fund values. Currently there are no explicit management policies or mandatory measures or steps for the preservation and increase of accumulated fund values. If a fund accumulation or partial fund accumulation system is to be pursued in the future, the preservation and increase of the value of these accumulated social insurance funds will become a more pressing issue. Particularly under inflationary conditions, an immature domestic investment market, the relatively poor capacity to endure economic pressures on all sides, and second-rate management standards, we should pay more attention to the question of preserving and increasing fund values.

4. Properly grasp the pilot reform projects in a down-to-earth manner. The state has designated Shenzhen and Hainan to conduct pilot reform projects in social insurance systems, Dandong and its neighbors to conduct pilot reform projects in medical insurance, and Dalian and its neighbors to conduct pilot projects in rural old-age insurance. At present we should concentrate our efforts on properly grasping data and forecasts, program formulation, deliberations, consultation and implementation, and the like, thus promoting the pilot reform projects in a down-to-earth manner.

5. Strengthen leadership and reform the management system of social insurance. We must separate the legislative, enforcement, and supervisory functions of social insurance, thereby forming a mutually supportive checking and supervisory administrative mechanism with parallel established administrative organs.

Birth Control Planned for Transient Population

HK2702020991 Beijing CHINA DAILY in English
27 Feb 91 p 1

[By staff reporter Zhu Baoxia]

[Text] Reducing the rate of multiple childbirths and early marriages among the country's transient population is the key task faced by China's family planning workers as they attempt to ward off a possible baby boom in the coming years, China Daily was told yesterday.

Vice-Minister Wu Jingchun of the State Family Planning Commission said the commission is mapping out legal principles on family planning for the transient population, which have already been submitted to the State Council for approval.

The country's transient population numbers some 70 million, one-fourth of whom are women of childbearing age, between 15 and 49.

And though the rate of multiple births has dropped from 60 percent in 1971 to 15.6 percent in 1989, still about 3.5 million such babies were born in 1989.

A national sample survey on fertility and birth control in 1988 also indicated that each year around 2.4 million women married below the age of 20.

Wu said that about one-tenth of the total births in the countryside each year are to mothers under the age of 20.

Military

Increased Agricultural, Sideline Production Ordered

OW2402181491 Beijing XINHUA Domestic Service
in Chinese 2132 GMT 23 Feb 91

[Text] Beijing, 24 February (XINHUA)—The Central Military Commission [CMC] recently approved the General Logistics Department's "Viewpoints on Steadily Developing the Army's Agricultural and Sideline Production" and asked the entire army to make the promotion of agricultural and sideline production a long-term policy and task, and to carry it out unrelentingly.

The General Logistics Department's "Viewpoints" points out: Engaging in agricultural and sideline production is a fine tradition of our army. Carrying forward this glorious tradition is of great significance in the new historical period. The use of available resources by military units to actively promote agricultural and sideline production helps reduce the burden of the state and the people. It is also an important measure for supplementing the troops' supplies and raising their combat strength. Through agricultural and sideline production, troops also can temper themselves and cultivate the spirit of plain living, hard work, and bearing hardships; forge closer ties with the masses of people; and help maintain the true qualities of the people's army.

The "Viewpoints" ask various military units to raise the entire army's agricultural and sideline production again to a new level by increasing input, extensively applying advanced technology, underkicking comprehensive development programs, providing different guidance to different production categories, continuing implementation and improvement of the responsibility system, and strengthening the building a contingent of agricultural and sideline production workers. It calls for all-out efforts to increase by 26 percent the entire army's grain, meat, poultry, egg, and vegetable production and to raise by 34 percent total revenues from agricultural, forestry, livestock breeding, sideline, and fishery production by 1995, using the bumper year of 1989 as a baseline.

The "Viewpoints" ask military leaders at all levels to make the promotion of agricultural and sideline production an important element in strengthening troop construction and to incorporate it in their work agenda. It asks them to pay attention to preventing and overcoming the tendency of "giving too much emphasis to industry, but too little to agriculture." It calls for making the performance of production a criterion for evaluating the troops' grass-roots construction and selecting advanced units.

Chi Haotian Urges Cadres To Study Party Building

OW2502165391 Beijing XINHUA Domestic Service
in Chinese 1118 GMT 25 Feb 91

[By correspondent Zhang Dongwen (1728 2639 2429)
and reporter Hu Nianqiu (5170 1628 4428)]

[Text] Beijing, 25 Feb (XINHUA)—Speaking today at a lecture sponsored by the General Staff Department on studying Marxist theory on party building, Chief of the General Staff Chi Haotian said: In studying theory on party building, leading cadres should not only guide party building but should also cultivate themselves. If leading cadres at all levels act exemplarily in strengthening their party spirit, transforming their world outlook, promoting the party's fine traditions, and resisting unhealthy practices, the people will follow suit, and good party and social conduct will prevail.

Since the beginning of this year, the General Staff Department has conducted education in Marxist theory on party building among cadres at and above the regimental level, as well as among government functionaries, in accordance with the guidelines of directives issued by the CPC Central Committee and the Central Military Commission on strengthening party building. The education covers seven special topics. Attending today's session were over 300 people, including members of study centers or groups of the party committees of various departments under the General Staff Department, as well as key theoretical workers.

In his speech today, Chi Haotian said emphatically: The key to accomplishing the various tasks set by the Seventh Plenary Session of the 13th CPC Central Committee lies in doing a good job in party building. In strengthening party building, it is necessary to undertake various endeavors, the most important of which is strengthening party building in the ideological and theoretical fields. Party committees and leading cadres at all levels should fully recognize the importance of strengthening the study of theory on party building. Under current circumstances, it is essential to build fundamental faith in the party. It is also imperative to lay a solid theoretical foundation on party building. Only by studying well the theory on party building can various practical problems in party building be basically resolved. Party committees and organs at all levels under the General Staff Department should systematically study the fundamental tenor of theory on party building; try to understand the history of development of such theory; and pay attention to studying and researching the Chinese version of theory on party building, which is embodied by Mao Zedong's relevant thinking. In particular, they should study and research the theory on, and the practice of, building the ruling party under new historical conditions. Based on Marxist theory on party building, they should try to understand the army's relations with social classes, the state, the government, and the party, and acquire a profound understanding of, and conscientiously uphold, a series of basic rules and regulations on the party's absolute leadership over the army.

Chi Haotian said: Grass-roots party organizations are the foundations of party building. Concentrating on

building grass-roots party branches is the basic measure for ensuring implementation by grass-roots units of the principle under which the party has absolute leadership over the army. While focusing on building grass-roots party branches, party committees at all levels under the General Staff Department should earnestly improve their leadership style and work hard to enhance the scientific nature and effectiveness of work guidance. Leading cadres should apply what they have learned to guiding party building at the grass-roots level, to improving the trouble-shooting ability of party branches, and to truly building grass-roots party branches into strong fighting bastions.

Article Stresses Seizing Ideological Initiative

HK2702064791 Beijing JIEFANGJUN BAO in Chinese
9 Feb 91 p 3

[Article by Zhang Zhen (1728 3791): "Strengthen the 'Sense of Occupation'"]

[Text] Attaching importance to the struggle in the ideological realm and constantly strengthening the officers' and men's ability to resist corrosive influences is the important guarantee of the politically qualified People's Army. To do this work well, one very important aspect is that the party committees and leaders at all levels must have a strong sense of occupation of this ideological position.

Occupation is a military term and its implication is taking the initiative in launching offensives and capturing and consolidating a certain position. However, some comrades' attention has not been drawn to the occupation of the position of the ideological realm and they think as long as certain administrative measures are adopted to straighten out, ban, and impose restrictions on the books and magazines that disseminate bourgeois liberalization and several study courses are run, this amounts to "occupation." In fact, things are not so simple. Many things in the ideological realm are invisible and exert imperceptible influence on people. To stop up the channels through which decadent cultural ideology exerts a corrosive influence on people, it is surely necessary to adopt some administrative measures, but this cannot completely eliminate its influence, nor does this represent people's distinction between good and bad and between beautiful and ugly. In a sense, the administrative measures are like defensive warfare in combat, but not taking the initiative in launching offensives. How do we take the initiative in launching offensives? The aesthetic view is that only by comparing the good with the bad can people feel the good and discard the ugly that they originally thought good. Likewise, in the ideological realm, we must destroy the old and foster the new, both eliminate the old and make the new prosperous, and both resist the old and construct the new. As we charge a mountain stronghold and seize a highland in a combat, we must vigorously occupy the ideological position. It is essential to build a backbone force that is good at publicizing the revolutionary theory in a lively form, and to apply Marxism and Mao Zedong Thought

to occupy the theoretic position; it is imperative to build a force proficient in ideological education, and to use the excellent traditions and style of work of our army to occupy the ideological and education positions. It is necessary to build well the cultural activity centers and company clubs of the People's Liberation Army [PLA] units, and to use healthy and useful cultural activities to occupy the cultural position of the barracks. The sense of occupation is embodied in the elimination of bad phenomena, still more by embarking on ideological and cultural building and forming an environment favorable to leading the officers and men to study political theory and healthy ideology and culture. Only by basing ourselves on building and making the new prosperous can we change the passive to the active, defense to offense, and really carry out the work of occupation.

It is impossible for the occupation of the ideological position to be accomplished in one move and for the "gong to be beaten to call back troops" after one or two rounds. If we fail to see the arduousness, complexity, and protracted nature of the ideological struggle, we will lack a long-term plan for our work and cannot hold some positions after we have occupied them. Decadent bourgeois ideology will not retreat from the historical arena automatically, and even if it is defeated on the battlefield for a short while, it will try in every possible way to stage a comeback. We must never lower our guard.

However, such phenomena frequently appear in our actual work: When anticorrosive influence education comes to the end of a stage, some comrades think that the problem of "occupation" has been solved and regard the protracted struggle in the ideological realm as "following the trend," have a grasp of it for a while, and then relax the grasp. Such a mental state is bad. The struggle against bourgeois liberalization has undergone ups and downs several times and is, as it were, a repeated trial of strength. To date, we still cannot say that we have already won a final victory. As Comrade Deng Xiaoping put forward: After 50 years and 100 years, we still must combat bourgeois liberalization and by no means lower our guard.

The most important work of strengthening the sense of occupation is to study revolutionary theory well, lay a solid ideological foundation, and establish a conviction that socialist ideology will surely triumph over decadent bourgeois ideology. With such a firm conviction and the sense of occupation, we can take the initiative in launching offensives in the course of the struggle in the ideological and cultural realms.

Jinan PLA Units Hold Air Defense Meeting

SK2402063591 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 23 Feb 91

[Text] The people's air defense committee under the Jinan Military Region held its fifth meeting in the city of Jinan on 23 February. The meeting is aimed at summarizing the work done by the military region in building air defense facilities during the Seventh Five-Year Plan

period and making work arrangements for the Eighth Five-Year Plan period in this regard.

Attending and addressing the meeting were Zhang Wannian, chairman of the people's air defense committee under the military region and commander of the military region; Zhao Zhihao, vice chairman of the people's air defense committee and governor of Shandong Province; Zhang Zhijian, deputy commander of the military region; Song Zhaosu, vice governor of Henan Province; Zhang Ruifeng, vice governor of Shandong Province; and Kui Fulin, director of the state people's air defense office and of the operational department under the PLA General Staff Headquarters.

During the Seventh Five-Year Plan period, the Jinan Military Region has scored marked achievements in building air defense facilities and accurately and carefully completed the construction of 13 large and medium-sized backbone projects that can be used in both peacetime and war. The peacetime utilization rate of air defense facilities has increased from 18 percent at the end of the Sixth Five-Year Plan to the present 35 percent. The annual output value and business volume of the air defense facilities that can be used in both peacetime and war have reached 190 million yuan. The capabilities for rapid reaction of the air defense communication equipment and of sounding air defense alarms have been obviously upgraded.

During the meeting, Zhao Zhihao delivered a speech in which he urged party committees and governments at all levels across the province to further understand the importance of building air defense facilities, to continuously and resolutely conduct reform among the air defense facilities, to vigorously develop air defense facilities that can be used in both peacetime and war, to grasp the construction of backbone air defense projects as they did for the key projects, to actively broaden the channels of raising funds for air defense projects, and to bring into full play the function and role of the people's air defense organs.

Concluding the meeting, Commander Zhang Wannian delivered a summary speech in which he stated that the construction of air defense facilities represents a strategic measure for enhancing the country's comprehensive strength and for protecting the country's safety, and can play an important role in protecting the country's safety and interest and in promoting the country's economic and urban construction programs. He also pointed out that the Eighth Five-Year Plan represents a crucial stage in which our country will fulfill the second-phase strategic goal of economic construction and that the military region as a whole should continue to deepen the reform drive in the work of air defense construction so as to further upgrade the effect of air defense facilities' war preparedness, to increase their capability of benefiting society, and to expand their economic results.

Military Courts' Role in Grass-Roots Units*HK2602045791 Beijing JIEFANGJUN BAO in Chinese
7 Feb 91 p 1*

[Report by correspondent Zhang Rousang (1728 2677 2718): "Military Law Enforcement Cadres Play an Important Part in Building up Grass-Roots Units and in Comprehensive Army Management"]

[Text] Beijing, 6 Feb (JIEFANGJUN BAO)—In carrying out their duty of trying cases, People's Liberation Army [PLA] courts martial at all levels vigorously participate in major work. They play an important part in serving the building up of grass-roots units and in properly carrying out their comprehensive management.

This correspondent learned from the PLA Court Martial Work Conference, which ended today, that in comparing the first-instance criminal cases handled by PLA courts martial at all levels last year with those in the previous year, the number of cases accepted and filed dropped by 10.6 percent and the number of persons involved in these cases dropped by 14.3 percent. In handling these cases, all courts have made efforts to ensure "accuracy" and improved the process of case handling. Moreover, they have strictly followed legal procedures, making sure that the cases are tried and closed within the legal time limit. Last year, all PLA courts put forward a total of 721 judicial proposals, and some courts even helped straighten out units where cases were numerous, thus promoting the implementation of crime prevention measures. Military law enforcement cadres gave 1,250 lessons on laws among units, and the number of officers and men that took the lessons reached over 350,000.

Lanzhou Region Promotes Cadre Exchanges*OW2302194991 Beijing XINHUA Domestic Service
in Chinese 0341 GMT 23 Feb 91*

[By correspondent Liu Gang (0491 0474) and reporter Qu Sheng Wen (1448 0524 2429)]

[Text] Lanzhou, 23 February (XINHUA)—The Lanzhou Military Region has been actively promoting a system of exchanges between cadres, and several hundred leading cadres at and above the regiment level have participated in the exchange since the second half of last year. This has effectively improved the entire structure of leading bodies at all levels.

The Lanzhou Military Region's party committee made the promotion of the cadre exchange system an important part of strengthening troop construction and deepening reform of its cadre system; it has taken effective measures to implement the system. First, it helped cadres increase their understanding and adopt an overall point of view through thoroughgoing and painstaking ideological work. Second, it drew up feasible exchange plans in light of reality, giving prominence to exchanges between outlying and difficult areas and better-off interior areas. Third, it persisted in asking higher ranking

leaders and regional organs to take the lead in implementing the exchanges. According to statistics, 27 percent of the army-level cadres have participated in the exchanges. Fifty-one office cadres in the military region were transferred to military units; 80 percent of them went to difficult areas.

Reports from the Cadres Department in the Lanzhou Military Region have indicated that the exchanges have improved the overall structure of leading bodies at and above the regiment level and fully reflects the spirit of selecting cadres regardless of their origin. It has also created conditions and widened opportunities through which cadres can grow and improve themselves. It has stoked the pioneering spirit of many cadres, motivating them to learn and advance. It has solved practical problems encountered by cadres working in difficult outlying areas, thereby strengthening unity within military units.

Nanjing Region Commends Units, Individuals*OW2602083491 Nanjing Jiangsu Provincial Service
in Mandarin 1015 GMT 25 91*

[By correspondents (Zhu Zhengping) and (Zhang Jingrong); from the "News" program]

[Text] The Nanjing Military Region held a meeting today to commend and confer titles on those who distinguished themselves in learning from Lei Feng and the Good Eighth Company on the Nanjing Road. Forty-two [number as heard] advanced units and individuals were given titles or received commendations at the meeting.

Gu Hui, commander of the Nanjing Military Region, read a title-conferring order at the meeting. According to the order, the first company of a certain unit was given the title of Model for Learning From the Good Eighth Company in recognition of its spirit of hard struggle in consolidating the company and educating its men. Jiang Tongyou, commander of the Second Bridge Construction Company of the Engineering Battalion of a certain tank division, was given the title of Good Company Commander Devoted to National Defense. Zhong Yiju, commander of the Rocket Gun Company of a certain regiment, was given the title of Model for Cherishing the People. Zhang Qi, a squad leader of the Fifth Company of a certain regiment, and five others were given titles of Pacesetters of the Nanjing Military Region in Learning From Lei Feng. The First Red Company of an engineering regiment and 13 other advanced units and individuals were given first-class or second-class merit citations. Another 26 units and individuals were included in a circular of commendation issued by this military region.

In a speech delivered at the meeting, Shi Yuxiao, political commissar of the Nanjing Military Region, called on the broad masses of officers and men to understand fully the importance of carrying forward the spirit of Lei Feng and the Good Eighth Company in the new situation. He urged them to devote great efforts to learning the essence of this spirit and make contributions at their work posts.

Fujian Military District Relays Plenum Spirit

HK2502000291 Fuzhou FUJIAN RIBAO in Chinese
25 Jan 91 p 1

[Report by Wang Mingcheng (3769 2494 6134): "Provincial Party Secretary Chen Guangyi Addressed Enlarged Plenary Meeting of the Provincial Military District"]

[Text] The Fifth CPC Committee of the Fujian Provincial Military District held its 25th enlarged plenary session from 21 to 24 January to convey the spirit of the Seventh Plenary Session of the 13th CPC Central Committee.

The plenum was presided over by Major General Zheng Shichao, secretary of the party committee and political commissar of the provincial military district, and Major General Chen Shuqing, deputy secretary of the party committee and commander of the provincial military district. They respectively made a party committee work report and delivered a speech on the implementation of the spirit of the Seventh Plenary Session of the 13th CPC Central Committee. Chen Guangyi, secretary of the Fujian Provincial CPC Committee and first secretary of the provincial military district party committee, attended and addressed the enlarged plenum.

The main tasks of the enlarged plenum were to convey the spirit of the Seventh Plenary Session of the 13th CPC Central Committee, to sum up the work of the provincial military district party committee in 1990, and to assign specific tasks for this year. The participants in the meeting unanimously agreed that the seventh plenum had presented a profound summary of the great achievements and valuable experience in China's reform and opening up process over the past 10 years or more, and set the targets, guiding principles, and concrete policies and measures for economic construction and social development for the next 10 years and the Eighth Five-Year Plan. The seventh plenum is of extremely great significance in mobilizing the entire party, army, and Chinese people to fulfill the second-stage strategic goal of China's modernization program, and to ensure the long-term prosperity and development of the country and the Chinese nation.

Chen Shuqing delivered a speech to elaborate on the main questions concerning the in-depth conveyance and study of the spirit of the Seventh Plenary Session of the 13th CPC Central Committee. He urged army units to conscientiously study and thoroughly understand the spirit of the party plenum, have a clear understanding of the position and role of the army, and make contributions to economic and social development in the next 10 years.

Zheng Shichao made a work report on behalf of the party committee of the provincial military district.

In his speech, Chen Guangxi expressed great appreciation for the large amount of fruitful work that units of the provincial military district had done in achieving self-development, supporting local modernization construction, and safeguarding social stability. He said: No

achievement made in Fujian can be accomplished without the strong support of the army units. On behalf of the provincial party committee, the provincial government, and all the Fujian people, he extended cordial regards and heartfelt thanks to all the commanding officers and soldiers of the army units stationed in Fujian province.

Chen Guangyi briefed the comrades participating in the meeting on the recent second plenary session of the fifth provincial party committee. He said: The most important task we now face is to conscientiously study and implement the spirit of the Seventh Plenary Session of the 13th CPC Central Committee, and to take action to fulfill all the targets set for the next 10 years and the Eighth Five-Year Plan. To achieve this, the army units and all the people throughout the province are required to work together, unite with each other, strive hard, and do all the tasks in a down-to-earth manner. As for the party committees at all levels under the provincial military district, he hoped they would fulfill five requirements, namely: 1) Take the study and implementation of the spirit of the seventh plenary session as a major task; 2) Further promote the development and reform of the reserve service of the army and the militia; 3) Mobilize the vast number of army officers and soldiers, as well as militiamen, to play an active part in and support local economic construction; 4) Earnestly implement the guideline laid by the national conference on "Two Support" work and to create a new situation in both "Two Support" work and the joint operation to build spiritual civilization; and 5) Strengthen the party's leadership over the reserve service for the army and the militia in real earnest.

Hainan's Deng Hongxun Addresses Military District

HK2502070491 Haikou Hainan Provincial Service
in Mandarin 2300 GMT 23 Feb 91

[Text] At the recently convened enlarged 11th Plenum of the Sixth Hainan Provincial Military District Party Committee, Deng Hongxun, secretary of the provincial party committee and first secretary of the Hainan Provincial Military District Party Committee, stressed: It is necessary to firmly foster the concept of sharing breath and destiny and linking hearts with each other and create a fine atmosphere of supporting the army and providing preferential treatment to families of revolutionary armymen and martyrs as well as supporting the government and cherishing the people among all servicemen and people in our province so as to raise Hainan's two-support work to a new level.

Deng Hongxun said: Hainan has had a glorious revolutionary tradition of strengthening unity between the army and the government and between the army and the people. Over the past few years, the locally stationed troops and the local people have joined hands in carrying out activities of prospering the island and strengthening defense capability. Such activities have contributed importantly and positively to the speedy development

and construction of the Hainan Special Economic Zone as well as the promotion of army building in Hainan.

Deng Hongxun put forward a four-point proposal on implementing in depth the spirit of the national conference on two-support work and strengthening unity between the army and the government and between the army and the people:

1. To conscientiously relay and implement the spirit of the national conference on two-support work and set off a new upsurge of supporting the army and providing preferential treatment to families of revolutionary army and martyrs as well as supporting the government and cherishing the people among all servicemen and people in the whole province in order to strengthen the concept of sharing breath and destiny and linking hearts with each other among all servicemen and people in the whole province;

2. To extensively carry out activities of building model two-support cities and counties. To this end, leaders at all levels must personally take charge of work in this connection. Cities and counties in which troops are stationed should each build one or two model two-support units. The provincial government and the Hainan Provincial Military District are to jointly hold the second Hainan provincial conference of representatives of advanced two-support workers and units before or around 1 August;

3. To conscientiously do several practical things aimed at enhancing unity between the army and the government and between the army and the people. This year, efforts must be concentrated on helping those entitled to preferential treatment, especially old demobilized soldiers, overcome realistic difficulties in a planned way and on properly handling real estate problems between the locally stationed troops and the local areas, which have been left over from history. The relevant departments at provincial and city levels must exert their utmost to help servicemen's family members find jobs and help servicemen's children find or transfer to new schools. While successfully carrying out army building, troops stationed on the island must also actively support the construction of key projects and the building of public welfare undertakings in local areas. The troops stationed in rural areas must mainly give their support to construction of water conservancy works and successfully carry out work of helping the poor and [words indistinct]. The troops stationed in cities and towns must actively participate in urban construction and further deepen the existing friendly relations between the army and the people by doing more practical and good things;

4. To strengthen leadership and perfect the existing institutions. Leaders at all levels must place two-support activities and jointly-building [army and people jointly build spiritual civilization] activities on their own agendas.

Zhejiang Leaders Call on Model Army Companies

*OW2502131291 Hangzhou ZHEJIANG RIBAO
in Chinese 14 Feb 91 p 1*

[Text] On the afternoon of 13 February, Li Zemin, secretary of the provincial party committee, and Xu Xingguan, deputy secretary of the provincial party committee and governor, paid a courtesy call on officers and men of the "Heroic Company Which Holds Fast to Its Ground" and "Hardboned Heroic Sixth Company" under a Red Army regiment stationed in Zhejiang.

Accompanied by Army leaders Liang Chaoqing and Gao Wusheng, Li Zemin and Xu Xingguan heard a briefing by the regiment commander on progress in intensifying the regiment's political, military, and grassroots construction. They also shook hands with 10 pacesetters in military construction and wished them greater success in the coming year. Then, they proceeded amid rain to the "Heroic Company Which Holds Fast to Its Ground," a title conferred upon the company by the Central Military Commission, where they visited the company's mess halls, barracks, recreational, and historical rooms. They asked soldiers about their study, training, everyday life, and cultural and recreational activities. At the Red Army regiment's training ground, Li Zemin made a speech, extending, on behalf of the provincial party committee and the provincial government, Spring Festival greetings to officers and men of the heroic Red Army regiment, as well as gratitude to them for their vigorous support in the local construction in the past year. He wished them success in political, ideological, military, and grassroots construction in the coming year. He also wished them a happy Spring Festival and good health.

At the "Hardboned Heroic Sixth Company," Li Zemin said: In the past 27 years since the conferment of the title, the Sixth Company has been known throughout the Army for its mastering of military techniques, strict military and administrative discipline, strong awareness of war preparedness, and tough combat style. The company is a model for, not only all Army units, but also all people. It is hoped that the company will preserve the honor by continuing to develop its tough style and win greater victories. Xu Xingguan said: It is an honor of the people of Zhejiang in having the Sixth Company stationed in the province. Consecutive generations of officers and men of the company have taken part in the construction of their second hometown, combating typhoons, delivering relief to disaster victims, and helping the people in their difficult hours. The people of Zhejiang sincerely thank the Sixth Company for its tremendous contributions to the provincial construction.

Li Zemin and Xu Xingguan attended a discussion with cadres of the Sixth Company on Army and civilian joint construction of spiritual civilization. They also viewed the interior of the company's barracks and other facilities, as well as joined its officers and men in making Spring Festival dumplings.

Xinjiang Military Leaders Greet Soldiers

OW2602123491 Urumqi XINJIANG RIBAO in Chinese
14 Feb 91 p 1

[Excerpt] Leaders of the Xinjiang Military District paid a courtesy call on grass-roots army units stationed in Urumqi on the morning of 13 February to extend Spring Festival greetings to all commanders and fighters.

At 1100, Commander Gao Hanchang, Political Department Director Pan Zhaomin, and Deputy Chief of Staff Kurban drove to an artillery brigade. They visited the recreational rooms, barracks, mess halls, and houses of cadres to extend, on behalf of the party committee and the office of the military district, Spring Festival greetings to officers and men, as well as their accompanying dependents. [passage omitted]

Economic & Agricultural

National Meeting Held on Reform Achievements

OW2602154291 Beijing XINHUA in English
1435 GMT 26 Feb 91

[Text] Beijing, February 26 (XINHUA)—The past 12 years, which represent the most rapid economic development period in China's history, have witnessed great changes in the old rigid economic system and notable developments in socialist economic theories.

This was the consensus of opinion of the participants at a national meeting being held in Beijing to review the achievements in the country's economic reforms.

Statistics show that during the period, China's GNP increased at an annual rate of 8.7 percent, a figure higher than the average annual rate of 6.1 percent for the 24 years between 1953 and 1977.

Wen Shizhen, vice governor of Liaoning Province, said that the guidelines for the reforms are correct, and that the orientation is also correct. Wen spoke of the reform measures for invigorating large and medium-sized enterprises, expanding the autonomy of enterprises, and developing markets.

Huang Ju, vice mayor of Shanghai, attributed the country's present stable economic and political situation to the successes of the reforms.

Representatives attending the conference agreed that the country has recorded outstanding achievements in the following aspects:

—While making the public owned economy a leading sector, vigorous efforts have also been made to develop the urban collective and rural township industries, as well as individual and private sectors of the economy. These efforts have updated the single sector economy which was unable to keep pace with the country's productive forces.

—The introduction of the contract responsibility system, which links output to payments, in the rural areas and the expansion of the autonomy of urban enterprises.

—Changes in the price control system which provide for the increased impact of market forces and the law of value. The state has narrowed the scope and improved the means of overall regulation and control of the economy.

—Reforms in finance, banking, planning and investment have stimulated the initiative of localities, and have facilitated the development of the regional economies and special local undertakings.

—Various income distribution methods have been adopted that uphold the socialist principle of "to each according to his work" as the main mode, and integrate the policy of allowing part of the people to get rich first through honest labor with the principle of common prosperity. This has fueled the enthusiasm of the laborers and their sense of competition.

—There has been a rapid development in foreign trade, the utilization of foreign investment, and foreign economies, and technical cooperation; thus stimulating the transition from the traditional semi-close economy to an outward looking economy that makes better use of the international exchange and division of labor.

Despite these achievements, the representatives are also soberly aware of the arduous tasks that lay ahead, including eliminating the drawbacks of the traditional economic system and rationalizing the economic operating mechanisms so as to complete the change-over of the traditional economic system.

Some representatives held that some reform measures failed to closely link with development and have not achieved the desired results since they were enacted prematurely and lacked coordination and legal backing.

Article on New Round of Enterprise Contracts

HK2602060591 Beijing JINGJI RIBAO in Chinese
30 Jan 91 p 1

[Article by Zhang Yanning (1728 1750 1337): "Further Promote Enterprise Contracting"]

[Text] The work of enterprise contracting promoted on a wide scale all over the country in 1987 was basically completed at the end of last year. In keeping with the CPC Central Committee and State Council's spirit of stabilizing policies and enterprises and of sticking to and improving the contract system, after one year's effort and hard work by all localities, approximately 85 percent of state enterprises throughout the country have signed the new round of contracts, and it is expected that almost all new contracts will have been signed in the first quarter. Preliminary investigations reveal that contract

renewal during the two rounds is proceeding well. Compared with the previous round of contracts, the new round has made great progress. This is reflected in the following three aspects:

First, the contracted base numbers have generally increased. The increase range of several provinces and municipalities such as Beijing, Hunan, Hubei, and Yunnan is over 10 percent, and that of several prefectures and cities such as Xiangfan, Jingzhou, Yichang, Huanggan, and Yuxi is over 20 percent. The contracted base numbers of some enterprises have increased by 30 to 40 percent. It is estimated that the general increase of the contracted base numbers in the new round of enterprise contracts will not be lower than 5 percent or so, and will basically be in step with the estimated growth rate of state industrial enterprises during the "Eighth Five-Year Plan."

Second, the work of contracting has become increasingly more scientific and standardized. In determining the base numbers, all localities stressed the organic integration of vertical and horizontal comparison and of immediate and long-term interest. They have made efforts in making quantitative analyses and employed a dozen or so new methods, such as Inner Mongolia's "dynamic tracking determination," Shandong's, Guangdong's, and Liaoning's "separate filing [fan dang] of base numbers; and determination through self-selection by enterprises," and Jilin's "difference in profits." These methods have caused the contracted base numbers come closer to enterprises' actual situations. The indexes for contracting have also improved compared to the past, thus changing the previous practice, by which enterprises only paid attention to the index for the taxes to be turned over while neglecting the strength for enterprises' future development and their management. In general, all localities have set economic results indexes that mainly emphasize profits, the future development indexes that mainly emphasize technological transformation, and the management indexes that mainly emphasize enterprises' quality. In this way, they have formed a comprehensive index system for contracting, with the three indexes matching one another. The contracting procedures and contracts are also in keeping with the demand of the "Regulations Governing Contracting." In this way, the basic factors of contracting have been standardized from unifying the forms of contract making to unifying contract texts. All localities have also paid special attention to establishing and improving regulatory mechanisms, and thus enriched the contents on which to be contracted.

Third, organization and leadership have been strengthened. To properly renew contracts during the transition of the two contracting periods, leading comrades in all localities have worked in person. They have carefully studied relevant questions and have conscientiously mobilized people in thinking and implemented relevant policies. All localities have set up various levels of leading groups for the work of contracting, organized affairs organizations in which various comprehensive departments take part, obtained timely information and made timely analyses of the progress of contracting, and resolved new problems so that the new round of contracting work has been improved and refined.

Of course, some problems also exist in the new round of contracting. Some localities have begun making contracts late and their progress is unbalanced. In all localities, there are some enterprises that are difficult to contract with. Some localities have not done their work meticulously, and some have even met with "pressure on contracting." These problems must be conscientiously resolved. Now, the Seventh Plenum of the 13th CPC Central Committee has fully affirmed the function of the contract system, and made the demand of continuously stabilizing, perfecting, and developing the enterprise contract management responsibility system during the "Eighth Five-Year Plan." We should resolutely implement the spirit of the Seventh Plenum of the CPC Central Committee by further promoting enterprise contracting. Now we should properly do the following things:

Appropriately Handle the Relations Between Contracting and the Readjustment of the Industrial Setup. In localities where the new round of contracting is nearly finished, some enterprises are left without being contracted with. We should vigorously study the prospects of these enterprises. Some enterprises can consider the method of lowering their base numbers and renewing contracts for one more year.

Those enterprises with which no contracts can be made should consider implementing the target responsibility system, and when there are enough conditions, they should make long-term contracts. For some enterprises that have long lost money, that do not produce major products suited to sales on the market, that are poorly managed, and that are poor in quality, we can get enterprises or business conglomerates contract with them or we can merge them. Thus, we can effectively readjust enterprises' organizational structures when enterprises have not yet had the conditions for bankruptcy, while duly resolving the problem of disposal and placement of enterprise staff and workers when the employment pressure is great and when the social insurance system has not been instituted.

Integrate the Strict Demands in Force at the Time of the Signing of Contracts and the Strict Management After the Contracts Are Signed. There are two important links for improving the contract system: The first is the time when contracts are signed. The second is the time during which the contracts are being carried out. This demands that we carry out management of the whole process of contracting. Since the first round of contracts were made before the "Regulations Governing Contracting" were promulgated, many contracted items in enterprises have not been carried out in accordance with the regulations, and have left numerous problems. This was something we noted at the beginning of the new round of contracting, and we need to improve and develop it in the process of practice. The fact that after contracts have been signed does not mean that everything will go well. In improving contracting it is necessary to exercise management of the whole process of contracting. The change in external conditions also demand we help enterprises remove difficulties. We must never replace management by contracting. Supervisory departments

should enhance supervision and enterprises themselves should reinforce management.

Appropriately Handle the Relations Between the Contract System and Other Reform Experimental Points. China's enterprises differ greatly from one another, and their difference is in different localities and different levels of economic development. Enterprises themselves were set up in different periods, and their equipment and technical levels are different from one another, so it is difficult to include all enterprises in one pattern. Therefore, it is unrealistic to demand that all enterprises practice contracting. The deepening of enterprise reform also demands that we set up reform experimental points at deeper levels so that we can obtain the advantages of all kinds of experimental points and explore a more scientific mechanism that corresponds more to China's economic development and enterprise development. We should insist on looking at problems with the view of development, and while continuously sticking to and improving the contract system, we should energetically do jobs at reform experimental points, such as the experimental points at which the separation of profits and taxes, contracting after taxation, and repayment of loans with tax incomes are practiced—we should further improve them. Experimental points under the share system should be carried out in a steady manner according to different situations. We should summarize experiences at the right time and make improvements on them.

Conscientiously Summarize and Promote the Experiences at the First Round of Contracting. The fact that the contract management responsibility system is practiced on a wide scale throughout the country is a great event in the history of China's enterprises and a great social practice. It is necessary for us to summarize a number of questions such as why is the contract system welcomed by enterprises, staff, and workers? Now that the results of this system are good, how should we improve and summarize the theories? How should we further adapt to the economic operational mechanism that integrates the planned economy and market regulation? When the contract system is being widely practiced, what new can the masses bring forth, and what experiences of success and lessons should be drawn and corrected? What exemplary persons have emerged in all localities and departments? We suggest that leading comrades in all localities and departments explore the reality and analyze, together with enterprise comrades, the situations through investigation and research, remove the weaknesses and falseness and retain the strengths and truth, summarize good experiences, and further promote them so the new round of contracting will proceed more steadily and soundly.

Government Opens 11 New Trade Ports

OW2702021391 Beijing XINHUA Domestic Service
in Chinese 1406 GMT 26 Feb 91

[By reporter Sun Jie (1327 2638)]

[Text] Beijing, 26 Feb (XINHUA)—China's trade ports handled over 200 million metric tons of import and export goods last year, an increase of 5.9 percent over 1989. Speaking at a national conference on trade ports today, State Councillor Zou Jiahua spoke highly of the achievements scored by China's trade ports through coordinated efforts. He urged them to step up construction of supporting port facilities and to improve their economic efficiency.

Zou Jiahua said: In recent years the state has been opening some new trade ports each year. Because of difficulties in investment channels and a shortage of funds, construction of inspection facilities in some trade ports could not be carried out simultaneously with the construction port infrastructural facilities. This has affected utilization of newly opened trade ports and their economic efficiency. As reform and opening to the outside world move ahead, the state will open more new trade ports in a planned and systematic way. It is hoped that the problem of simultaneous construction will be solved.

Ye Qing, head of the leading port group under the State Council, made a work report. He said that the structure of China's export and import goods has undergone a great change. Exports of cement and steel products, rarely exported in the past, have increased by a big margin, and the export proportion of machinery, electrical, textile, and precision products has increased further.

After analyzing the performance of trade ports last year, Ye Qing pointed out that transportation services at China's trade ports were able to keep up with the expansion of foreign trade. Last year, the overall handling capacity of China's trade ports rose further, thus stimulating their transportation services. In 1990, 33 deepwater berths were put into operation along the coasts and the Chang Jiang in China, thus increasing the handling capacity by 17 million metric tons. Loading and unloading equipment was added or replaced at various trade ports. Basically there was no congestion at trade ports all year round.

It has been learned that China opened six new ports at Mawan, Yantian, Qinglan, Yangpu, Tan, and Maanshan; four airports at Changsha, Hefei, Nanchang, and Jinan; and a railway station at Alashan Pass. The opening of the Alashan Pass Railway Station was able to link Lianyungang in the East with Rotterdam in the Netherlands in the West through the second Asian-European railway. By the end of last year, China had 150 trade ports opening to the outside world. Ports opening to the outside world now extend from the coastal areas to frontier provinces and autonomous regions.

Speaking on tasks for trade ports this year, Ye Qing stressed: As trade ports are faced with a heavy work burden this year, they should fulfill, both quantitatively and qualitatively, their tasks of transporting and handling export goods and ensure quality in handling goods, transportation, loading and unloading, goods storage, and goods examination and inspection. At the same

time, it is also necessary to employ modern means in a planned way to upgrade the quality and efficiency of port administration.

Economic Restructuring Achievements Viewed

OW2702064391 Beijing XINHUA Domestic Service in Chinese 1217 GMT 26 Feb 91

[By Central People's Broadcasting Station reporter Wang Lianxi (3769 6647 6007) and XINHUA reporter Zhang Jinsheng (1728 6930 0524)]

[Text] Beijing, 26 Feb (XINHUA)—According to information released by the State Commission for Restructuring Economy, the achievements made by China in restructuring its economy in the last 12 years have attracted worldwide attention. The reform has brought about remarkable changes in China's economic structure, which in the past was rigid and could not meet the actual needs of the development of the productive forces. The results, in many respects, show that in the past 12 years, China has made the greatest achievements in economic construction.

According to the released information, China, since 1976, has made a breakthrough in economic restructuring in the following six respects:

- While upholding the leading position of the economy under the ownership by the whole people, China has actively developed the urban collective economy and rural village and town enterprises; properly developed individual, private and other nonpublicly-owned economic sectors; and changed the structure under sole public ownership, a structure that was not in conformity with the actual level of the productive forces. The reform has effectively aroused enthusiasm in all quarters, and has greatly promoted economic development, convenience in livelihood, and employment.
- China has rationally reformed those economic organizations and enterprise operations under public ownership. In rural areas, it has introduced the responsibility system with the household contract linking output to payment as the main form, and gradually established the dual management system that combines household with collective operations. So, it has found, for the collectively-owned economy, a new organizational form that meets the needs of the development of the productive forces, and forcefully promoted the production and economic development in rural areas. In urban areas, it has preliminarily changed the unified state control over income and expenditure of state-owned enterprises in accordance with the principle of separating ownership from managerial authority. In this way, it has given enterprises more managerial authority and enabled them to make certain progress in transforming and developing themselves.
- While the state exercises effective macroeconomic control, China has reformed the price management system and the pricing mechanism, gradually developed markets of various categories, and begun to bring

into play market regulation and the law of value. In the meantime, it has also readjusted and improved the scope and method of overall state control, begun to pay attention to use of economic and legal means, and somewhat enhanced the vigor of economic operations.

- While the central government keeps a necessary centralism, China has carried out financial, banking, planning and investment reforms and thus aroused the initiative of local governments. While striving to improve overall economic efficiency, it has promoted regional economic progress and given free play to local features.
 - While adhering mainly to the principle of to each according to his work, China has also properly adopted other forms of distribution. It has paid attention to simultaneous implementation of the policy of enabling some people and some localities to become well-off first through honest work and legitimate business and the principle of gradually achieving a common prosperity of all the people and all localities. This has yielded fairly good results in arousing enthusiasm of the vast number of working people for production and operation, as well as their pioneering spirit and awareness of competition.
 - While adhering to the principle of self-reliance, China has actively opened itself to the outside world. It has made rapid progress in import-export trade, use of foreign capital, and international economic and technological cooperation. China has begun to change its traditional semi-closed economy to an open economy stressing international division of labor and international exchange. The openness has extended "from special economic zones to coastal open cities, coastal economic open zones, and inland regions" successively.
- Unprecedented achievements have been made in reforms in the last 12 years, remarkably accelerating China's economic construction and social development. Statistics shows noticeable enhancement in China's economic growth rate and people's living standards during the period. From 1978 to 1990, the gross national product, calculated in terms of comparable prices, increased at an average annual rate of 8.8 percent, evidently higher than the average annual rate of 6.1 percent between 1953 and 1977. The residents' average consumption level in 1990 was 110 percent higher than that of 1978 and increased at an average annual rate of 6.5 percent, if price changes are factored in. This rate of increase is much higher than the average annual rate of increase of 2.2 percent between 1953 and 1978. Housing shortages in both urban and rural areas have been greatly alleviated. A comparison between 1990 and 1978 shows that the per-capita housing occupation in urban areas rose to 7 square meters from 3.3 square meters, while that in rural areas increased to 18.5 square meters from 8.1 square meters.
- At the same time, reforms have caused certain changes in China's irrational economic structure. Take agriculture, light industry and heavy industry, for instance. The ratio of

agriculture remains unchanged, the ratio of heavy industry which produces mainly intermediate products has been reduced, and the ratio of light industry which produces mainly final products has been enlarged. The ratio of primary industry remains basically the same, the ratio of secondary industry has been reduced, and the ratio of tertiary industry has been enlarged. The geographical distribution of the economy has also been readjusted, causing certain changes in the situation in which inland regions merely provide primary products and coastal regions mainly engage in processing. These changes play an important role in promoting production in the society and improving the people's living standards.

The State Commission for Restructuring Economy has made a proper appraisal of the reform achievements. It believes that socialist economic restructuring is an extremely arduous and complex undertaking, and the reform so far has not yet changed the traditional structure to a new structure. In other words, the defects of the traditional economic structure have not yet been eliminated, the new structure of socialist commodity economy has not yet been established, and the tasks of reform remain very arduous.

According to an analysis, the main problems of the existing economic structure are as follows: 1) The operating mechanism of enterprises, particularly that of state-owned enterprises, remains irrational; the relationship between their production and their authority has not yet been straightened out, and they have not yet truly solved the problems of separating government functions from business management and separating ownership from managerial authority. In the meantime, the internal leadership and management systems of enterprises are not sound or stable. Inequality and irrationality existing in the external operating environment are seriously dampening the workers' enthusiasm. 2) The prices of many products remain unreasonable and the market mechanism is still inadequate. 3) A macro-control system meeting the needs of the development of planned commodity economy has not yet been instituted, and the old management practice of relying mainly on administrative means is still widely adopted. Only by further deepening the reform can we gradually solve these problems.

Economic, Social Development Statistics Reported

OW2302020391 Beijing XINHUA Domestic Service
in Chinese 2143 GMT 21 Feb 91

["Communique of the State Statistical Bureau of the People's Republic of China on the Statistics of 1990 National Economic and Social Development"]

[Text] Beijing, 22 Feb (XINHUA)— In 1990, under the correct leadership of the party Central Committee and the State Council, people of all nationalities throughout the country achieved remarkable results in further implementing the principle of improving the economic environment, rectifying economic order, and deepening reform. Contradictions between supply and demand in society were relaxed to some extent. A bumper harvest

was achieved in agriculture. Proportions between major economic sectors were adjusted. Commodity prices were put under effective control. Improvement was made in the balance of international payments. As a whole, the national economy continued to develop in a desirable direction, adding to political and social stability. New achievements were scored in science and technology, education, culture, public health, and sports. According to initial statistics, the annual gross national product reached 1,740 billion yuan, an increase of 5 percent over 1989, and the national income amounted to 1,430 billion yuan, up 4.8 percent compared with the preceding year. Major problems in the economy were increased overstocking of products, declining economic returns, intensified financial difficulties, and greater pressures of potential inflation.

I. Agriculture

In 1990, all localities paid attention to agriculture and made all-out efforts to develop farmland and water conservation construction and to take measures to "use science and technology to promote agriculture." This, coupled with the favorable natural climate, resulted in all-around development of farming, forestry, animal husbandry, sideline production, and fisheries. The total agricultural output value for the year stood at 738.2 billion yuan, up 6.9 percent over the preceding year. Of this, the output value of farming increased 8.3 percent, forestry 2.2 percent, animal husbandry 5.9 percent, sideline production 3.4 percent, and fisheries 6.7 percent.

All major agricultural products showed an increase in output. Grain production totaled 435 million tonnes, surpassing the preceding year by 6.7 percent and once again reaching a record high. Output of cotton, oil-bearing seeds, and sugar-producing crops rose to a great extent, while another bumper harvest was achieved in vegetable and fruit production. However, the good harvest in agriculture during 1990 does not mean that our comprehensive agricultural production capacity had reached a new stable level.

Output of major cash crops follows:

	1990	Percentage of increase over 1989
Cotton	4,470,000 tonnes	18.1
Oil-bearing seeds	16,150,000 tonnes	24.7
including rapeseeds	6,930,000 tonnes	27.5
Sugar Cane	57,270,000 tonnes	17.4
Beets	14,530,000 tonnes	57.2
Jute and ambary hemp	720,000 tonnes	9.5
Cured tobacco	2,260,000 tonnes	-6.2
Silkworm cocoons	530,000 tonnes	9.4
Tea	530,000 tonnes	-0.3
Fruits	18,760,000 tonnes	2.4

New achievements were made in forestry production and construction. The quality of afforestation work continued to improve. Construction of highly productive and fast-growing timber forest bases was carried out at a quicker pace. The second-stage project of building forest shelter belts in northwest, north, and northeast China proceeded smoothly, while the forest shelter belt project in the upper and middle reaches of Chang Jiang was in full swing. New progress was also made in the afforestation of plains. Meanwhile, remarkable achievements were made in the work of forest fire prevention. The total consumption of forest resources began to drop, while the percentage of forest cover showed a growing trend. However, forest diseases and insect pests remained a rather serious problem.

Animal husbandry developed steadily, with production of meat, poultry, eggs, and milk continued to increase. Production of major animal products and the amount of livestock for 1990 are as follows:

	1990	Percentage of increase over 1989
Pork, beef, mutton	25,040,000 tonnes	7.7
Milk	4,130,000 tonnes	8.2
Wool	240,000 tonnes	1.8
Pigs slaughtered	310,000,000 head	6.2
Pigs at year-end	360,000,000 head	3.0
Sheep at year-end	210,000,000 head	-0.8
Big livestock at year-end	130,000,000 head	2.7

Sustained growth in fishery occurred in 1990. Production of aquatic products for the year totaled 12.18 million tonnes, up 5.7 percent from the previous year. Freshwater products rose 6 percent, while marine products increased by 5.5 percent.

Conditions for agricultural production improved. At the end of 1990, farm machinery in the country had a combined power of 285.4 billion watts, up 1.7 percent from the end of 1989. There were 820,000 large and medium tractors, down 3.6 percent; 6,980,000 small and walking tractors, up 6.6 percent; 620,000 trucks, down 1.3 percent; and 70.6 billion watts of power facilities for irrigation and drainage, up 3 percent. A total of 26.07 million tonnes of chemical fertilizer (of 100 percent concentration) was used in the year, up 10.6 percent. Power consumption in rural areas totalled 83.5 billion kwh, up 5.7 percent. More water conservation works were constructed and effective irrigation area increased.

The rural economy continued to grow. The gross value of rural social output for 1990 reached 1,625.3 billion yuan, up 8.8 percent from the year before. Consisting of 54.6 percent of the total, the output value of industry, construction, transportation, commerce, and catering trade in rural areas rose 9.9 percent.

II. Industry

Industrial production maintained its upward momentum. Industrial output value for 1990 totaled 2,385.1 billion yuan, up 7.6 percent from 1989. Excluding the industries at and below the village level, the amount came to 1,962.9 billion yuan, up 6 percent. State-owned industries saw an increase of 2.9 percent in output value; collective-owned industries, 9.1 percent (the output value of township-run industries rose 12.5 percent); private industries, 21.6 percent; and foreign-funded industries including joint ventures, Sino-foreign cooperatives, and those solely funded by foreigners, 56 percent. State and collective-owned industries made up 91.4 percent of the total industrial output value.

Light industry generated 1,179.9 billion yuan in output value in 1990, up 9.1 percent from the year before; heavy industry generated 1,205.2 billion yuan, up 6 percent. More new products were put on the market, offering consumers more variety. Production of major raw materials and energy rose, easing strains on the supply side. However, affected by market changes, production of many high-grade, durable consumer goods as well as investment-type machines and electrical appliances was down, and adjustment of industrial structure went slowly, with many contradictions still unsolved.

The output of major products was as follows:

	1990	Percentage of increase over 1989
Cotton yarn	4.5 million tonnes	-5.6
Cloth	18 billion meters	-4.9
Woolen piece goods	280 million meters	0
Machine-made paper and paper board	13.3 million tonnes	-0.2
Sugar	5.71 million tonnes	14.0
Crude Salt	19.84 million tonnes	-29.9
Cigarettes	32.9 million cartons	3.0
Synthetic detergent	1.484 million tonnes	1.2
Daily-use fine aluminum products	72,700 tonnes	-11.6
Bicycles	31.41 million	-14.6
TV sets	26.62 million	-3.8
of which, color TV sets	10.23 million	8.8
Cassette recorders	29.70 million	26.4
Cameras	1.899 million	-22.6
Household washing machines	6.526 million	-20.9
Household refrigerators	4.754 million	-29.2
Total energy output (in terms of standard fuel)	1.04 billion tonnes	2.4
Coal	1.08 billion tonnes	2.5

	1990	Percentage of increase over 1989
Crude oil	138 million tonnes	0
Electricity	618 billion kwh	5.7
including hydro-electricity	126 billion kwh	6.5
Steel	66.04 million tonnes	7.2
Rolled steel	51.21 million tonnes	5.4
Cement	203 million tonnes	-3.3
Timber	54 million cubic meters	-6.9
Sulphuric acid	11.69 million tonnes	1.4
Soda ash	3.746 million tonnes	23.3
Chemical fertilizers	19.12 million tonnes	6.1
Chemical insecticides	229,300 tonnes	10.3
Power generating equipment	11.43 million kw	-2.7
Metal cutting machine tools	117,800	-34.1
Motor vehicles	509,100	-12.8
Tractors	39,000	-1.5
Locomotives	655	-3.7
Steel ships for civilian use	1.23 million tonnes	-13.4

The economic efficiency of enterprises continued to decline. Profits and product sales taxes of budgeted state-owned industrial enterprises amounted to 127.1 billion yuan in 1990, down 18.5 percent from the previous year. The amount of profits declined 58 percent. Overstocking of finished products increased. The turnover period for working funds increased from 109 days during 1989 to 127 days. The amount of profits and product sales taxes per 100 yuan of capital declined from 19.39 yuan of the previous year to 13.76 yuan. Per-capita labor productivity rose only 0.8 percent over the previous year. The quality of some products was not quite stable, the production cost continued to exceed the target, the number of enterprises suffering losses increased, and the amount of losses climbed up.

Further improvement was made in enterprise contracting. As of the end of 1990, 44,604 state-owned industrial enterprises, or 88.6 percent of the total number of enterprises with expired contracts, had signed new contracts. The new contracts signed by industrial enterprises were better than previous contracts in terms of the establishment of a contract base and the content of the contract. At the same time, departments concerned conducted experiments on "separation of tax and profits, after-tax loan repayment, and contracting after taxation."

III Investment in Fixed assets and Construction

Investment in fixed assets increased. In 1990, the State Council decided to increase investment properly to invigorate the market and promote production. During

the year, the country's investment in fixed assets totalled 445.1 billion yuan, an increase of 18.5 billion yuan or 4.5 percent over 1989. Of the total investment, 292.7 billion yuan went to state-owned enterprises, a 10.5 percent increase over the previous year; 55 billion yuan went to collectively-owned enterprises, a decrease of 2.8 percent from the previous year; and 97.4 billion yuan went to private enterprises, down 5.6 percent from the previous year. The projects under construction had been brought under control. In 1990, state-owned capital construction and renovation projects numbered 123,000, a decrease of 3,536 projects from the previous year; and the total investment in those projects was 1,155.4 billion yuan, a 16 percent increase. However, the situation of poor investment efficiency had not improved noticeably.

The investment structure was further readjusted. With the support of special state policies, construction in agricultural, energy source, transport, and posts and telecommunications departments was stepped up. Of the total investment by state-owned organizations, investment in agriculture was 8.1 billion yuan, which represented a 31.2 percent increase over the previous year and accounted for 3 percent of the total investment as against 2.5 percent in 1989; investment in energy source industry was 81.4 billion yuan, which represented a 15.6 percent increase over 1989 and accounted for 29.9 percent of the total investment as against 27.8 percent in 1989; and investment in transport, posts and telecommunications was 39.3 billion yuan, which represented a 46.1 percent increase over 1989 and accounted for 14.4 percent of the total investment against 10.7 percent in 1989.

In 1990, a total of 170.3 billion yuan in capital construction investment (including money to buy ships and vehicles) went to state-owned enterprises, up 12.3 percent from the previous year. Of the total amount, the investment in construction projects for production purposes was 123 billion yuan, accounting for 72.2 percent of the total investment as against 68.6 percent in 1989; and the investment in construction projects for other than production purposes was 47.3 billion yuan, accounting for 27.8 percent of the total investment as against 31.4 percent in 1989. Construction of office buildings, auditoriums, guest houses, and other nonproductive projects had been brought under effective control. The 1990 investment in renovation projects was 82.8 billion yuan, up 5.8 percent from 1989; of the amount, the investment in projects for the purpose of conserving energy, increasing variety and design, and improving quality of products increased by 14.1 percent and accounted for 25.3 percent of the total investment, as against 23.3 percent in 1989.

Construction of key projects was accelerated, and a number were completed and put into operation. In 1990, the state invested 42.6 billion yuan in 200 key projects and overfulfilled the annual plan. Altogether 95 large and medium capital construction projects, 71 single items that were part of large and medium projects, and 92 above-quota renovation projects were completed and put into operation. The following projects were among those completed and put into operation: Malan Mine in

Gujiao Mining District of Shanxi, with an annual production capacity of 4 million tonnes of coal; Shidongkou Power Plant in Shanghai, with a power-generating capacity of 1.2 million kilowatts; the 300,000-tonne Yangzi ethylene project in Nanjing; China's largest chemical fiber production base—Yizhen chemical fiber industry complex; (the first stage construction of) the 410-kilometer modern, double-track, electrified Datong-Qinhuangdao Railroad for coal transport; the 375-kilometer Shenyang-Dalian Expressway; a number of construction projects for the Asian Games in Beijing; and China's first high energetic particle accelerator of international technological level—the Beijing positron-neutron collider.

Capital construction in 1990 added the following major productive capacities: 20.16 million tonnes of coal, 9.12 million kw of power generating sets, 13.32 million tonnes of petroleum (including the added capacities through oil field renovation, transformation, and other investments), 1.03 billion cubic meters of natural gas (including the added capacities through oil field renovation, transformation, and other investments), 600,000 tonnes of soda ash, 250,000 tonnes of chemical fertilizer, 260,000 cubic meters of timber, 1.69 million tonnes of cement, 2.5 million boxes of plate glass, 127 km of railway tracks, 349 km of multiple tracks, 551 km of electrified railways, 2,141 km of highways, and 22.56 million tonnes of seaport handling capacity.

Construction industry's economic effectiveness continued to decline. In 1990, state-run construction enterprises generated 90.3 billion yuan in output value, down 3.9 percent from the year before. They completed 197 million square meters of work, down 7.9 percent. Per capita labor productivity was 14,547 yuan, down 1.5 percent from the previous year. The number of enterprises suffering losses rose and the volume of losses increased.

Geological prospecting made further progress. Newly discovered or verified mines of industrial significance numbered 267. Progress was made in 102 prospecting fields and 9.05 million meters of machine drilling for oil was completed. Verified deposits of 57 kinds of mineral resources increased. Significant progress was achieved in the prospecting of oil and natural gas in the Tarim Basin and the East China Sea. Important breakthroughs were made in the prospecting of natural gas in southern Songhua Jiang-Liao He valley.

IV. Transportation, Posts, and Telecommunications

Communications and transportation maintained steady growth. Strains on transportation systems eased, and transportation order improved. The rotation volume of freight transport via various types of conveyance rose from the year before. Ocean shipping continued to grow despite fierce international competition.

The following is a breakdown of freight volume for 1990:

	1990	Percentage of increase over 1989
rotation volume of freight transport	2,632.2 billion tonnes/km	2.9
railways	1,059.3 billion tonnes/km	2.1
highways	344.1 billion tonnes/km	2.0
water transport	1,165.0 billion tonnes/km	4.1
ocean shipping	819.0 billion tonnes/km	6.5
air transport	0.8 billion tonnes/km	17.4
pipelines	64.2 billion tonnes/km	2.1
rotation volume of passenger transport	561.2 billion people/km	-7.6
railways	261.6 billion people/km	-13.9
highways	260.0 billion people/km	-2.3
water transport	17.8 billion people/km	-5.3
air transport	21.8 billion people/km	17.1
cargo handling capacity of major seaports	0.46 billion tonnes	-1.7

Transportation revenues increased. Thanks to price adjustments, railway revenue was up 29.7 percent from the year before. However, railway efficiency did not improve much; cargo locomotives averaged 859,000 tonnes/km a day, posing a slight increase of 0.7 percent from the previous year. Local highway and water transport enterprises were still plagued with low economic effectiveness. Postal and telecommunication services witnessed rapid development in 1990 and collected 8 billion yuan in revenue, up 24 percent from the year before. Express and speed mail delivery, facsimile service, international telephone services, and telephone services to Hong Kong and Macao all witnessed more than 20 percent increases in business volume. At the end of 1990, local telephone lines in urban areas totaled 5.2 million, up 22 percent from the end of 1989, of which 43.5 percent were program-controlled.

V. Domestic Commerce, Supply and Marketing

Domestic market sales were gradually moving in the direction of steady growth. In 1990, the value of retail sales of social commodities totalled 825.5 billion yuan, a 1.9 percent increase over the previous year. Of the total, the retail sales of consumer goods amounted to 722 billion yuan, up 1.9 percent from the previous year; of the consumer goods sales, the sales to institutions were 72.3 billion yuan, up 4.3 percent. The volume of the

retail sales of means of agricultural production was 103.5 billion yuan, up 1.7 percent.

Urban and rural consumer goods markets show that 1990 sales in cities increased 6 percent, as compared with the previous year, and city sales in the fourth quarter basically became normal with a 13.4 percent increase. At the county level and below, market sales began to pick up in October, but annual sales volume as a whole dropped 2.4 percent.

A breakdown of retail sales of consumer goods shows that food sales as a whole were stable, with increases in the sales of edible vegetable oil, sugar, pork, and aquatic products over the previous year. As for garment and household items, sales of color television sets rose 39.9 percent, sales of electric fans increased 1.9 percent, and sales of many other commodities, such as cotton fabrics, woolen goods, sewing machines, bicycles, wristwatches, recorders, black and white television sets, and washing machines, dropped by varying degrees, as compared with the previous year.

In various economic sectors, retail sales of state-owned enterprises rose 3.2 percent; retail sales of collectively-owned enterprises dropped 3.5 percent, with a 0.7 percent decline in the sales of the supply and marketing cooperatives; retail sales of jointly-owned enterprises increased 24.8 percent; and retail sales in the individual sector rose 5.8 percent. A 7.9 percent increase was registered in transactions between farmers and non-agricultural people.

The economic efficiency of the commercial department declined by a big margin. In 1990, the profits earned by state-owned commerce and by supply and marketing cooperatives were down 85 percent from the previous year; 1990 losses incurred by enterprises which were operating at a loss were 45.5 percent greater than their losses in the previous year, and the turnover of their circulating funds became even slower.

Market sales of means of production halted their decline and began to pick up in September. In 1990, the sales volume of the materials department was 238.2 billion yuan, a 1.7 percent increase over the previous year. The increase in the fourth quarter was 21.8 percent. The volume of rolled steel sales was 34.97 million tonnes, up 3.8 percent from the previous year. The volume of coal sales was 260 million tonnes, a 3.5 percent increase. The volume of timber sales was 19.78 million cubic meters, down 10.2 percent from the previous year. The volume of cement sales was 27.56 million tonnes, down 10.7 percent from the previous year. A total of 556,000 automobiles were sold in 1990, showing a 0.4 percent increase over the previous year. The sales volume of machinery and electric equipment was 50.4 billion yuan, up 4.6 percent.

In 1990, general market commodity price levels continued to increase, but the margin of the increases narrowed remarkably. General retail price levels rose 2.1 percent over the previous year, and the increase was

much smaller than the previous year's 17.8 percent increase. Retail price changes had the following major characteristics: retail prices of most food stabilized; both prices at village fairs and prices of agricultural and sideline products decreased; in the fourth quarter, some localities readjusted the prices of some commodities and services; and commodity price increases were bigger in some large and medium-sized cities.

General living costs of urban and rural residents rose 3.1 percent over the previous year.

[Text] Changes of various commodity prices and service charges were as follows:

Percentage increase over 1989	Dec per centage increase over Dec 1989	
Food	0.3	1.8
Grain	-4.8	-6.3
Meat, poultry, and eggs	-2.1	-3.1
of which pork	-4.0	-4.3
Fresh vegetables	-0.4	13.9
Aquatic products	-0.7	5.7
Cigarettes, alcohol beverages, and tea	0.9	1.6
Pastries	7.8	9.8
Clothing	7.1	6.3
Articles of everyday use	1.9	1.4
Medicine and medical equipment	2.4	1.7
Fuel	8.2	32.0
Means of agricultural production	5.5	-
Service charges	20.9	11.6

VI. Foreign Economic Relations and Trade and Tourism

There was a favorable balance of exports and imports. According to customs statistics, China's total volume of imports and exports in 1990 amounted to U.S.\$115.41 billion, an increase of 3.3 percent over 1989. Exports totaled U.S.\$62.06 billion, up 18.1 percent, and imports were U.S. \$53.35 billion, down 9.8 percent. After deducting the volume of transactions of goods not dealt in foreign exchange, the trade surplus was put at U.S.\$13.1 billion, thus ending successive trade deficits since 1984. With more foreign exchange reserve under state control, China has increased its capability to make payments in foreign currency.

Utilization of foreign capital increased steadily. In 1990, new agreements on utilizing foreign capital were worth U.S.\$12.3 billion, a 7.4 percent increase over 1989. Foreign capital actually utilized was U.S.\$10.1 billion,

including U.S.\$3.4 billion direct investment by foreign businessmen, and both figures were slightly up from the preceding year.

Advances were again made in economic and technical cooperation with foreign countries. In 1990, China signed a total of U.S.\$2.5 billion new contracts to undertake construction projects and provide labor and service in foreign countries, a 13 percent increase over the previous year; the volume of business amounted to U.S.\$1.7 billion.

Tourism gradually picked up. The number of foreign tourists coming to China for sightseeing, visiting friends and relatives, and taking part in various activities in 1990 totaled 27.46 million, an increase of 12.1 percent over the previous year. Foreign exchange earned through tourism was U.S.\$2.22 billion, an increase of 19.2 percent.

VII. Science and Technology

Much headway was made in science and technology. In 1990, a total of 2,914 state scientific and technological research projects were completed. Prizes approved by the state for promoting natural science totaled 59; for inventions, 224; and for scientific and technological progress, 505. Last year saw smooth development and fruitful results of various scientific and technological plans initiated by the state. Targeted tasks of more than 90 percent of the contracts for key state scientific and technological projects during the Seventh Five-Year Plan were completed, making such outstanding achievements as high resolution seismic prospecting technology, batch production of 300,000 kw generating units, and the overall capability to contract an engineering project of four-dimension group optical fiber communications equipment. During the year, construction of 11 key state laboratories were completed. After passing acceptance tests, these laboratories have been opened to Chinese and foreign scientists.

In 1990, the State Natural Science Foundation approved 3,531 projects and provided a sum of 135 million yuan in assistance, 11.4 percent and 8.9 percent respectively more than the previous year.

In 1990, large and medium-sized enterprises had set up 9,156 research institutes for developing new technology, 1,941 more than 1989, and organized 46,500 technological development projects, an increase of 11,500.

As of the end of 1990, there were 3,000 product control and inspection centers throughout the country, including 104 at the state level. They established and revised 853 state standards of various products during the year. As of the end of 1990, there were 1,000 meteorological stations with weather warning systems across the country; there were 876 manned seismological stations, 4,187 seismological measuring and reporting points, and 20 regional and local telemetering seismological stations and networks; and there were five national marine natural environmental protection zones approved by the state, as well as 151 newly set up marine monitoring stations.

The topographical departments draw 24,953 charts of various scales and published 430 kinds of maps.

The patent system developed at a fairly fast pace. In 1990, a total of 41,469 applications for Chinese and foreign patents were handled, an increase of 26 percent over 1989. Of this, applications by factories, mines, and enterprises increased by 59.9 percent. The number of applications for patents that were approved was 22,588, up 31.9 percent.

In 1990, the contingent of scientists and technicians was further expanded. At the end of the year, there were 24.32 million technical personnel specializing in various fields in China, of which 10.97 million were in natural science, an increase of 6 percent over 1989. There were 5,410 state-owned independent scientific research and technological development institutions at and above the county level, with 420,000 scientists and engineers. Those engaged in scientific and technological activities in institutions of higher learning numbered 780,000. Of that number, 675,000, or 86.5 percent, were scientists and engineers. Advances were further made in mass scientific and technological activities, with a total of 7,600 scientific and technological associations run by factories and mines.

VIII. Education and Culture

In order to raise the quality of education, enrollment in regular colleges and universities was cut down to size. In 1990, 30,000 post graduates were enrolled throughout China, an increase of 3.9 percent over the previous year; and the total number of postgraduates on a degree at colleges and universities was 93,000, an 8.2 percent decrease. Regular colleges and universities enrolled 609,000 undergraduates and students in special courses, an increase of 2 percent over 1989. The total number of students enrolled was 2.063 million, a 0.9 percent drop.

Vocational and technical secondary education developed steadily. Various vocational and technical secondary schools had 6.048 million students (including 1.332 million students in technical schools), making up 45.7 percent of the total senior middle study student body of 13.22 million.

Compulsory education was further popularized. In 1990, there were 38.69 million junior middle school students and 122.42 million elementary school pupils. The elementary school attendance rate for school-age children was 97.9 percent, an increase of 0.5 percent over 1989. The proportion of elementary school graduates advancing to middle schools was 74.6 percent, up 3.1 percent points from 1989. A total of 1,459 counties measured up to requirements by the state for the popularization of elementary education, 70 more than the previous year.

Progress was made in consolidating adult education. In 1990, a total of 492,000 undergraduates and students taking special courses were enrolled in adult colleges and universities. Those working on a degree at adult colleges

and universities were 1.74 million, a drop of 0.1 percent from 1989. The number of students in adult vocational secondary schools amounted to 1.588 million, a decrease of 6.9 percent. The number of students in adult technical training schools was 12.82 million, an increase of 1.1 percent. Students in adult junior middle and elementary schools numbered 23.69 million, up 15.7 percent over the preceding year. Notable achievements were made in wiping out illiteracy, and a total of 3.972 million illiterate people were taught to read.

In 1990, there were 2,819 art troupes, 3,000 cultural centers, 2,527 public libraries, 1,012 museum, 3,630 archives centers, 640 broadcasting stations, 673 radio transmitters and relay stations, 510 television stations, 938 television and transmitters and relay stations with a capacity of more than one kilowatt each, and 145,000 various movie projectionist units throughout the country. A total of 100 feature films were produced, along with 199.5 other types of (feature-length) films. Eighteen films received awards at international film festivals. In 1990, China printed 15.87 billion issues of newspapers at the national and provincial levels, 1.91 billion copies of magazines, and 5.58 billion books.

IX. Public Health and Physical Culture

Public health work continued to develop and medical conditions further improved. In 1990, there were 2.624 million sickbeds in all the hospitals in the country, 2.2 percent more than at the end of the previous year; there were 3.898 million professional public health workers and technicians, 2.3 percent more than the year before. Among these workers and technicians, 1.763 million were doctors (including 130.3 million doctors of traditional Chinese medicine and Western medicine), an increase of 2.6 percent over the previous year; and 975,000 were nursing technicians and nurses, an increase of 5.7 percent.

We scored remarkable achievements in sports. In 1990, 61 Chinese athletes won 54 world titles in world championships and tournaments; eight athletes and three teams set 14 world records 16 times; 34 athletes and two teams set 40 Asian records 49 times; and 131 athletes and 30 teams set 132 national records 221 times. In 1990, we successfully held the 11th Asian Games, which drew worldwide attention. During the games, Chinese athletes did their best and won 183 gold medals. The Asian Games gave an impetus to promoting mass sports activities. As of the end of 1990, 259 counties had been named advanced counties in promoting sports activities. In 1990, 74.78 million young people reached the national standards of physical training; 70,381 athletic meets at and above the county level were held, with 21.88 million athletes participating in these meets.

X. People's Livelihood

Consumption and demand increased to a certain degree. According to a sampling survey, in 1990, the monetary income of each person in urban and rural areas that can be

used as living expenses reached 1,387 yuan on the average, which is 10 percent higher than the previous year. After taking inflation into account, the increase is 8.6 percent in real terms. Peasants' per capita net income was 630 yuan, up 4.7 percent from the year before. After taking into account the price increase of commodities, the net income increased by 1.8 percent in real terms. There were gaps, however, between development in different localities; the income of some households actually somewhat decreased.

Employment in urban and rural areas increased. In 1990, 4 million people were provided with jobs in urban and rural areas. At the end of 1990, the number of staff members and workers in the country reached 139.89 million, 2.47 million people more than the end of the previous year. Among these staff members and workers, 13.52 million, or 1.62 million more than the previous year, were of enterprises of public ownership that adopted the labor contract system. At the end of 1990, there were 7 million self-employed workers in urban and rural areas, 500,000 more than the year before.

In 1990, the total amount of wages of staff members and workers reached 296 billion yuan, up 13 percent from 1989; the average monetary wage of each worker was 2,150 yuan, an increase of 9.7 percent in real terms.

People's savings increased sharply in 1990. At the end of the year, the balance of people's savings deposits was 703.4 billion yuan, 188.7 billion yuan, or 36.7 percent, more than the end of the previous year.

Living conditions further improved in 1990. New houses of 180 million square meters were built in urban areas in 1990, and 660 million square meters were built in rural areas.

Social welfare work continued to develop. In 1990, social welfare centers of various natures had 761,000 beds, accommodating 580,000 people. Some 44.81 million people received state's reliefs of various kinds. As of 1990, 25.1 percent of townships and towns had established a social security network. Social service networks in urban areas also developed quite rapidly in 1990; as of the year, some 88,000 community service centers had been established.

Insurance business further developed. In 1990, total amount of property insurance amounted to 2.5749 trillion yuan, up 12 percent from the year before. As of 1990, 540,000 enterprises in the country had bought property insurance; 90.89 households had bought household property insurance; and 217.36 million people had bought life insurance. In 1990, insurance companies handled 2.78 million cases involving domestic property compensation, making 8.11 billion yuan in settled payment. In addition, they made 2.6 billion yuan in compensation to cover 9.25 million people's life insurance.

XI. Population

China's birth rate in 1990 was 21.06 per thousand, and the mortality rate was 6.67 per thousand. The natural growth rate was 14.39 per thousand. By the end of the

year, the nation's total population was 1,143.33 million. This was 16.29 million more than that at the end of the preceding year.

Notes:

1. All the figures in this communique are preliminary. Taiwan Province is not included.

2. The absolute figures of total output values are calculated according to the prices of the year, and the growth rate, according to comparable prices.

3. Of the base figures used for comparison, the population at the end of 1989 is adjusted according to the fourth national census, and fixed asset investment is adjusted on the basis of the new criterion for commercial housing statistics. All other figures are official statistical figures published in the "Chinese Statistics Yearbook."

4. The average per-capita net income of peasants in 1990 was 630 yuan. The prices of the products they turned out for their own use are calculated according to the state-published prices and can be compared with the data of previous years. If they are calculated in terms of the average prices used for contract purchases, the average per-capita net income of peasants is 683 yuan.

East Region

Anhui Holds Discipline Inspection Meeting

OW2702063691 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 24 Feb 91

[Text] A provincial meeting for party discipline inspection opened in Hefei yesterday. The meeting would focus on the study and implementation of the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee and the Third Plenary Session of the Fifth Provincial CPC Committee as well as the study and planning of the provincial party committee's discipline inspection work in 1991.

(Yang Zhenyi), deputy secretary of the provincial commission for discipline inspection, presided over the meeting.

Zhao Baoxing, Standing Committee member of the provincial party committee and secretary of provincial Commission for Discipline Inspection, delivered a speech at the meeting. In his speech, Zhao Baoxing said: In 1990, under the leadership of party committees at various levels and commissions for discipline inspection of higher levels, the province's departments for discipline inspection at various levels earnestly implemented the guidelines of the Sixth Plenary Session of the 13th CPC Central Committee, maintained close ties between the party and people, enthusiastically assisted the party committees in improving party work style, seriously investigated and dealt with violations of party discipline, and made contributions to the improvement of the party work style. Commissions for discipline inspection at various levels have taken the investigation of the work style of leading cadres with party membership seriously, strengthened discipline supervision within the party, and carried out various forms of education on party work style and discipline. In addition, discipline inspection departments and personnel also have improved themselves, and a number of advanced departments organs and outstanding cadres for discipline inspection have emerged.

When speaking on discipline inspection work in 1991, Zhao Baoxing said: Departments and cadres for discipline inspection at various levels earnestly should study and implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee and the documents of the Third Plenary Session of the Fifth Provincial CPC Committee, put into effect the guidelines of the seventh plenary session when carrying out inspection of party discipline, and ensure accomplishment of the guidelines of the seventh plenary session and the various central tasks laid down by the provincial party committee by means of a good party work style and strict discipline.

Zhao Baoxing also stressed that we should understand correctly and handle properly the relationships between strengthening the party work style and discipline on one hand and economic development, reform, and opening up to the outside world on the other. He said: Our purpose of strengthening party work style and discipline is to ensure that economic development, reform, and opening up to the

outside world will develop in a sound manner along the socialist orientation. As we further push reform and opening up to the outside world, we must also strengthen party work style, strictly enforce party discipline, punish corruption, and maintain honesty in the administration.

He pointed out: Departments for discipline inspection should cultivate the guiding ideology that discipline inspection must serve and ensure implementation of the party's line. They should carry out discipline inspection work closely around the central task of economic development, firmly adhere to the four cardinal principles, make unremitting efforts in enforcing the political discipline of the party, resolutely resist and fight bourgeois liberalization, and make discipline inspection an important driving force behind reform and opening up to the outside world to create a political climate favorable to economic development, reform, and opening up to the outside world.

Zhao Baoxing said: In 1991, departments for discipline inspection at various levels should carry out the various tasks of discipline inspection in an all-around manner, with the focus on investigating and tackling violations of party discipline. They should enforce party discipline strictly; seriously investigate and deal with violations of party discipline; continue to strengthen party work style, party discipline, and honesty in the administration; and conscientiously solve problems which draw strong complaints from the masses. They should strengthen discipline supervision within the party, focus on strengthening supervision and inspection of leading departments and cadres, carry out thorough education on party work style and discipline, and unceasingly strengthen the party spirit and concept of discipline of party members. At the same time, the departments for discipline inspection also should improve themselves vigorously, work hard to upgrade the standard of discipline inspection, and carry out their work in a down-to-earth manner.

Zhejiang People's Congress Begins Session

OW2602131091 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 25 Feb 91

[From the "Provincial Hookup" program]

[Text] The 21st session of the Seventh Zhejiang Provincial People's Congress Standing Committee began in Hangzhou today. Chairman Chen Anyu presided over the session.

The main topics of the session's agenda are:

—Examining and presenting the draft agenda of the Fourth Session of the Seventh Zhejiang Provincial People's Congress, the draft namelist of the Presidium members and secretary general, and the draft namelist of members of the Finance and Budget Committee.

- Examining and approving the report submitted by the Credentials Committee on the credentials of by-elected deputies to the Seventh Zhejiang Provincial People's Congress.
- Examining and approving the work report submitted by the Zhejiang Provincial People's Congress Standing Committee.
- Examining and approving a report concerning personnel appointments and dismissals.

Moreover, the session will also solicit views on the draft outlines of Zhejiang's 10-Year Program and Eighth Five-Year Plan, and the draft reports of the Zhejiang Provincial People's Court and Procuratorate.

During the plenary session this morning, the attendees heard a report given by Wang Yumin, chairman of the Credentials Committee of the Seventh Zhejiang Provincial People's Congress Standing Committee, on the credentials of by-elected deputies to the Seventh Provincial People's Congress; and a report given by Hu Canshi, chief procurator of the Zhejiang Provincial People's Procuratorate, on personnel appointment and dismissal.

Vice Chairmen Wu Minda, Wu Zhichuan, Li Hubua, Zhe Xuxiang, Wang Yumin, and Yang Bin were present at this morning's session.

Vice Governor of Zhejiang Chai Songyue was present at the session as an observer.

Central-South Region

Guangzhou Plan for Deepening Reforms Explained

OW2602195291 Beijing XINHUA in English
1605 GMT 26 Feb 91

[Text] Guangzhou, February 26 (XINHUA)—Li Ziliu, deputy mayor of Guangzhou, capital of Guangdong, a south China province which borders Hong Kong, today mapped out this year's plan for deepening economic reforms in the city.

These priorities include:

- Encouraging the annexation of enterprises;
- Promoting the experimental shareholding system;
- Furthering the price reform by adjusting the irrational prices of some commodities and services, and letting the law of value to play a greater role;
- Deepening the financial reform by issuing more securities while accelerating the preparations for establishing securities markets;

Other reform priorities concern housing, social welfare and transport administration reforms.

The deputy mayor said that the financial reform will be put atop the process of deepening the economic reform.

He also urged the city's residents to enhance their initiative in participating in the reforms.

Hou Zongbin Views Wheat Field Management

HK2702075991 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 25 Feb 91

[Text] After inspecting the wheat growing situation in Minquan and Qixian, provincial party committee Secretary Hou Zongbin and acting provincial governor Li Changchun pointed out: It is now a crucial period for wheat field management. All areas across the province must make good use of this farming season, miss no good opportunities, be ready to fight a tenacious battle, work energetically for 20 days, irrigate more than 40 million mu of land, resist calamities, and reap a good harvest.

On 24 February, Comrades Hou Zongbin and Li Changchun led responsible comrades of the provincial agriculture and animal husbandry department, the provincial water resources department, and the provincial [words indistinct] bureau, wheat expert (Liu Yinxiang), and others to Minquan County and Qixian County to conduct on-the-spot inspection of wheat fields. They listened to reports made by the Shangqiu prefectural party committee, the Shangqiu prefectural administrative office, the Kaifeng City party committee, and the Kaifeng City government on wheat field management work.

Comrades Hou Zongbin and Li Changchun said: The wheat production situation is rigorous at present. No one should be optimistic about it. Wheat production occupies an important position in our province's agricultural production. Failure to strengthen wheat production management will not only adversely affect overall agricultural production but also exert a negative impact on economic, political, and social stability in the whole province and on implementation of the Eighth Five-Year Plan as well.

Provincial party committee Secretary Hou Zongbin and acting provincial governor Li Changchun laid stress on doing a good job in the following three aspects of work:

1. Party committees and governments at all levels must regard wheat field management as a central task of rural areas at present and must strengthen sense of pressure and sense of responsibility. Principal leaders must personally grasp key points and tackle thorny problems. The whole party must be mobilized. The whole people must participate in the work. It is necessary to immediately set off an upsurge of wheat field management characterized mainly by drought resistance and top application.
2. All trades and professions must provide all types of good services to wheat field management and practically solve problems relating to diesel oil, electricity supply, funds, chemical fertilizer, and so on in order to resist calamities, reap a good harvest, and win the first battle in the Eighth Five-Year Plan period.

3. Leaders at all levels must regard wheat field management as a concrete act of implementing and carrying out the spirit of the party's seventh plenary session, improve work methods, institute a post-related responsibility system, and go deep to the fields to provide face-to-face leadership and timely solve problems once problems are discovered. It is necessary to appoint personnel to take charge of various links of production and management, who will be required to fulfill specific tasks within a definite time.

Henan Propaganda Work Conference Concludes

HK2702051191 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 25 Feb 91

[Text] The four-day provincial propaganda work conference concluded in Zhengzhou on 24 February.

(Wu Jichuan), deputy secretary of the provincial party committee, and Yu Youxian, Standing Committee member and Propaganda Department director of the provincial party committee, attended and delivered important speeches at the conference.

The conference relayed and implemented the spirit of the National Conference of Propaganda Department Directors and the spirit of the National Conference on Foreign-Related Propaganda Work, listened to a relayed important speech made General Secretary Jiang Zemin during his recent inspection work in Henan, and mainly studied and planned this year's propaganda work.

The conference pointed out: The general guiding ideology and requirements for this year's propaganda work are as follows: To successfully carry out work by closely centering on implementing and carrying out the spirit of the Seventh Plenary Session of the 13th CPC Central Committee as well as the spirit of the fifth provincial party congress and by centering on further implementing and carrying out a series of principles and instructions of the central authorities and the provincial party committee on propaganda and ideological work under the guidance of the party's basic line; to continue to adhere to unity, stability, and confidence-boosting as the key-note; consider positive propaganda as the main form; carry out in-depth education on patriotism, collectivism, and socialism; adhere to the four cardinal principles; oppose bourgeois liberalization; resist peaceful evolution; actively push ahead with improvement, rectification, and in-depth reform; expand opening up; further prosper in various ideological undertakings; continuously push forward socialist spiritual civilization building; and make new contributions to the promotion of unity, advancement, and development in Henan, the attainment of goals set in the Eighth Five-Year Plan, and the realization of sustained political, economic, and social stability and development in the whole province.

In accordance with this guiding ideology, the conference put forth the following 10 tasks for the propaganda and ideological front of our province to accomplish:

To conscientiously organize study and propaganda of the documents of the Seventh Plenary Session of the 13th CPC Central Committee.

To earnestly strengthen propaganda and education on economic construction as the center and on reform and opening up.

To carry out in-depth education on socialist ideology and carry out spiritual civilization building activities of a mass character at the grass-roots level in both urban and rural areas.

To continue to firmly grasp two-basics education [education on the basic line and the basic knowledge of the party] as well as ideological and political work in enterprises.

To strengthen theoretical study, propaganda, and research.

To carry out in-depth education and struggle aimed at adhering to the four cardinal principles and opposing bourgeois liberalization.

To extensively carry out the Three-Good Cup and the Civilized City emulation activities.

To strive to make cultural, artistic, and publication undertakings prosper and successfully organize commemorative and propaganda activities for the 70th anniversary of the founding of the party.

To strengthen and improve foreign-related propaganda work.

To strengthen propaganda front building and further improve our province's propaganda and ideological work in a down-to-earth manner.

Responsible persons of the propaganda departments of the provincial party committee and various city and prefectural party committees and responsible persons of the relevant organs directly under the provincial authorities, the Henan-based units of the central authorities, and the foreign-related units attended the conference.

(Wu Jichuan), Yu Youxian, and other leading comrades also held talks with propaganda department directors of various city and prefectural party committees.

Southwest Region

Tibet Party, Government Hold Work Conference

OW2602175791 Lhasa Tibet Television Network
in Mandarin 1300 GMT 25 Feb 91

[From the "Tibet News" program]

[Text] On 25 February, the Tibet Autonomous Regional CPC Committee and the regional people's government held a conference of leading cadres from units directly under the regional party committee and government, from Lhasa City and Tibet Military District departments, and from people's armed police force, to arrange the next stages of work.

Comrade Raidi, deputy secretary of the autonomous regional CPC Committee, presided over the meeting. Mao Rubai, deputy secretary of the autonomous regional CPC committee and executive vice chairman of the autonomous regional people's government, delivered an important speech. [Video shows big auditorium filled with military and government cadres. Raidi, Mao Rubai, and other leaders are seated on the rostrum. Video pans to show people in the auditorium taking notes while Mao Rubai, seated, delivers a speech from the rostrum]

Mao Rubai's speech was divided into six parts. The first part of the speech dealt with the earnest implementation of the guidelines set by the Seventh Plenary Session of the 13th CPC Central Committee and the Second Plenary (Enlarged) Session of the Fourth Tibet Autonomous Regional CPC Committee. The second part was on the need to prioritize the important task of ensuring a stable situation in Tibet. The third part of his speech called for making concerted efforts in various aspects of economic work. The fourth part of the speech touched on the need to improve party work style and run a clean and honest government. The fifth part of his speech called for earnest efforts to sponsor celebrations marking the 40th anniversary of the peaceful liberation of Tibet. Mao Rubai called on cadres to work among grass-roots units and implement various policies in a down-to-earth manner in the final part of his speech.

Vice Chairman Mao Rubai said: Earnest implementation of the guidelines set by the Seventh Plenary Session of the 13th CPC Central Committee and at the Second Plenary (Enlarged) Session of the Fourth Autonomous Regional CPC Committee is the primary task of our work this year. All levels of party committees, governments, and departments should step up their dissemination of party documents and should organize the broad masses of cadres, staff members, and workers to study them. It is necessary to develop a good understanding of the guidelines set out in the documents and to unify our thinking with the guidelines set at the two conferences. We should have a clear view of the current situation; boost confidence; develop an in-depth understanding of socialism with Chinese characteristics; have stronger faith in the road of socialism; clearly define strategic goals and major tasks for Tibet in the coming decade; correctly assess achievements scored and mistakes committed in the last decade; smoothly and responsibly carry out the 10-year program and the Eighth Five-Year Plan; and jointly strive for fulfillment of those objectives.

Discussing stability work, Vice Chairman Mao Rubai said: Through the struggle against splittism conducted over the last several years and through regular improvement of social order, we have achieved a major victory in the struggle against splittism. The political and social situation throughout the whole region has been further consolidated. However, a handful of splittists at home and abroad are still very active in trying to split the motherland. Therefore, the situation of the antisplittism struggle is still grim; the task of maintaining social order remains arduous. We must be prepared for a long-term

fight against splittism, give priority to the struggle against splittism, and ensure stability in our current work. We should strengthen our work in grass-roots units; mobilize organizations; rely on the masses; effect mass participation in the prevention of crimes and maintenance of social order; do a good job in joint military-police-people defense; strengthen comprehensive improvement of social order; and continue our efforts in severely cracking down on crimes, particularly on a handful of splittists and various criminal activities. Various levels of party committees and governments throughout the region should foster the concept that stability comes before everything else. They should enhance leadership, formulate measures, and ensure stability throughout the region.

Discussing economic work, Vice Chairman Mao Rubai said: The first two months of the first quarter of this year will soon be over. The general situation in economic work is good. There are still four months remaining in the first half of this year. The realization of objectives set for economic work in the first half of this year will have a bearing on whether we can smoothly realize goals for economic work for the whole year. Therefore, we should continuously do a good job in agricultural production, in building irrigation facilities and grasslands, in preparing for spring farming, and in managing winter crops. Great efforts should be made to use science and technology to promote agriculture and animal husbandry. More efforts are necessary for spreading scientific and technological knowledge among farmers and herdsmen and in doing a good job in increasing spring animal husbandry production. Emphasis should be on fighting natural disasters and preventing epidemic diseases so that a bumper harvest like last year's will be repeated.

Mao Rubai also called for doing a good job in second-stage enterprise contracting work, supply and marketing work, ensuring production of key products, fulfilling planned tasks, production in key enterprises, strengthening enterprise management, raising efficiency, and managing various trades and professions. He called for improving transportation by coordinating transportation work and ensuring completion of transportation tasks set for Tibet. He said that further improvement should be made in road maintenance work. He urged earnest implementation of the State Council's circular on carrying out the activities of the Year of Quality, Variety, and Efficiency in a down-to-earth manner and called regional enterprises to work for marked increases in quality and efficiency. The construction pace of key projects should be accelerated, he said. Management of key projects should be strengthened. Construction of key projects should proceed as scheduled, and quality of key projects should be ensured. He called for early completion and implementation of key projects.

Touching on improving party work style and building a clean and honest government, Vice Chairman Mao Rubai said: Giving priority to crackdowns on illegal practices in various trades and professions and unauthorized collection of fees, fines, and other charges should

be carried out continuously in the first half of this year. Violations of law and breaches of discipline involving abuse of power, embezzlement, and bribe-taking in the economic sector should be constantly investigated; those who violate law and breach discipline should be punished. Resolute steps should be taken to stop gambling. Gambling is strictly forbidden for party members and cadres. Party members and cadres, if found gambling, will be dealt with strictly. The problems of building private houses by party and government cadres in violation of law should be dealt with; in particular, rectification measures introduced by the regional party committee and regional Discipline Inspection Commission in dealing with the construction of private housing should be earnestly implemented.

Referring to activities marking the 40th anniversary of the peaceful liberation of Tibet, Vice Chairman Mao Rubai said: To greet the grand 40th anniversary, we should run the administration of Lhasa City well, clean up our environment, and make Lhasa a beautiful, clean, and civilized city. Government organs, military units, schools, and residents should be mobilized and organized to participate in celebrations. Manpower and financial support should also be given. Various levels of departments should ensure market supplies for the occasion and make good security arrangements during the celebrations.

Vice Chairman Mao Rubai called on all localities and departments to organize and dispatch work groups to grass-roots units for investigation. He called on them to help grass-roots units implement policies. He also called on them to clearly define the responsibility system so that every matter is handled properly.

In conclusion, he said: Let us unite to overcome difficulties; strive for an auspicious start in the first half of this year; fulfill this year's tasks; give the Eighth Five-Year Plan a good start; and greet the 40th anniversary of the peaceful liberation of Tibet and the 70th anniversary of the founding of the Communist Party of China.

Other party and government leaders in the autonomous region, including Gyaincain Norbu, Zi Cheng, Puqung, Gyamco, Gying Puncog Cedain, also attended the meeting.

Tibet Issues Circular on Spring Production

OW2702073391 Lhasa Tibet Television Network
in Mandarin 1300 GMT 26 Feb 91

[From the "Tibet News" program]

[Text] The Tibet Autonomous Regional People's Government issued an emergency circular 26 February on carrying out agricultural production during spring. It calls upon the governments at all levels, all departments, all trade and professions, and the people of various nationalities in the region to take immediate actions to set off an upsurge of spring agricultural production and work hard to bring the agricultural production to an even higher level.

The circular consists of four parts:

1. Improve our understanding, change our work style, and strengthen leadership in agricultural production.
2. Be meticulous in making arrangements for spring ploughing and sowing to ensure its success.
3. Strengthen management and pay close attention to animal husbandry in the spring.
4. Make arrangements for work in other areas in a timely fashion.

The circular says: While paying close attention to spring agricultural production, the various localities also should conscientiously make unified plans and arrangements for the various sideline undertakings in rural areas and open up more avenues for the great numbers of peasants and herdsmen to prosper.

Commercial as well as supply and marketing departments at various levels should step up the procurement of agricultural side products and improve the sale of industrial products to increase the side income of peasants and herdsmen.

In conclusion, the circular says: An upsurge in spring farming is around the corner throughout the region. Leaders at all levels, especially the vast numbers of cadres, scientists, and technicians on the agricultural and animal husbandry fronts, should go all out, work on the frontline of production, organize and mobilize the people of various nationalities in the region to score a victory in the first battle of this year's agricultural production in greeting the 40th anniversary of the peaceful liberation of Tibet as well as the 70th anniversary of the CPC's founding.

Viewers: The full text of the circular will be published by XIZANG RIBAO on 27 February. The Tibetan People's Broadcasting Station will also broadcast this circular to the region. It is hoped that the various departments concerned will pay attention to it.

Tibet Outlines Economic Development Plans

OW2602133791 Beijing XINHUA in English
1038 GMT 26 Feb 91

[Text] Lhasa, February 26 (XINHUA)—The Tibet Autonomous Region will focus on boosting agriculture and animal husbandry in the coming five to ten years. Mao Rubai, vice-chairman of the regional government, announced here today.

In an exclusive interview with XINHUA this morning, the vice-chairman disclosed for the first time the region's economic development strategy for the next five to ten years.

The 52-year-old vice-chairman said the regional government will also speed up in this period construction of facilities of basic industries, including the industries of energy, transport and post and telecommunications, while expanding light and textile industries, mining industry, industries run by local ethnic minorities and tourism.

Mao, of the Han nationality, is an expert in meteorology and he has been working on "the roof of the world" since 1961, when he graduated from Nanjing University in east China.

He was engaged in the work of the Chinese Communist Party in the region in 1984 and was elected a vice-chairman of the regional government two years later.

Since 1988 Mao has concentrated his efforts on working out a five-year plan (1991-95) and ten-year program (1991-2000) of Tibet's economic and social development.

According to the plans, Mao said, the regional government will remarkably increase the input in agriculture and animal husbandry in order to make the region's annual grain output grow to 625,000 tons by 1995 and to 725,000 tons by the year 2000.

Last year saw the region reap a record grain harvest of 555,000 tons.

According to the vice-chairman, the average grain per capita in the region will rise from 253 kg last year to 263 kg in 1995 and 282 kg in the year 2000.

The total output of meat in the region will be 112,000 tons in 1995, averaging 47.3 kg per person, and 129,000 tons in the year 2000, 50.2 kg per person.

The region turned out 9,000 tons of meat last year, averaging 42 kg per person.

According to Mao, the net income of farmers and herdsmen will be 550 yuan per person in 1995 and 800 yuan in 2000 as against 430 yuan last year if the above-mentioned goals are reached.

The vice-chairman said optimistically: "Almost all people in the region will have enough to eat and wear, and many will even be considered well-off."

Mao detailed the bright future for the region's infrastructure.

He said Tibet will make full use of its rich natural resources to boost the power industry.

The region's power-generating capacity will climb from 150,300 kw last year to 258,000 kw in 1995 and 390,000 kw in 2000.

While extending highways and expanding the airport near Lhasa, capital of the region, Tibet will develop satellite communications.

It will add 39 ground satellite stations in the Eighth Five-Year Plan period (1991-95) and strive to make the telephone network cover all the counties in the region and link its cities at or above the prefectural level with the country's national long-distance telephone network.

According to the vice-chairman, the regional government will also expand the mining, handicraft, light and textile industries.

It will promote exports of woolen textiles, leather and Tibetan medicine and improve tourist services.

Mao acknowledged that Tibet's economy still remains backward. Its industrial foundation is weak, and it lacks management experience, funds and technology.

However, the vice-chairman said he was convinced that Tibet will accomplish its objectives by making full use of its natural wealth and the preferential and special policies pursued by the central government.

Tibet Improves Court Work in 1990

HK2702110491 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 20 Feb 91 p 4

[Report by correspondent He Wei (0149 0251): "Tibet Strengthens Administration of Justice in an Overall Way"]

[Text] The people's courts at various levels in Tibet gave full play to their judicial function and have effectively safeguarded the legitimate rights and interests of the masses in Tibet.

As revealed by someone in charge of Tibet's higher court, the courts at various levels throughout the region handled and wound up a number of criminal offense cases according to the law last year. The number of cases and that of criminals rose 31.2 and 42.5 percent respectively over 1989. The campaign to deal severe blows to criminal acts has not only stabilized the situation in Tibet but also safeguarded its economic development.

In the meantime, civil cases also increased by a big margin. According to statistics, the civil cases in various categories handled in Tibet last year amounted to 1,866, up 64.2 percent over 1989, which reflects, from one angle, a stronger law consciousness of the Tibetan public. Divorce cases still outnumbered the rest. According to an analysis, in farming and pastoral areas, the cause of post-marital discord and subsequent divorce is parental arrangement and the influence of the concept of matching social and economic status; in urban areas, the main cause is third party meddling. Also, the number of debt disputes and cases involving grazing land and animal husbandry increased, reflecting some problems caused by the development of commodity economy in Tibet.

While strengthening judicial work, Tibetan people's courts also took active measures to settle problems concerning policy-implementation that had been left over from the past. In the past few years, they, in the spirit of the principle of "focusing on political settlement and giving appropriate financial compensation," redressed cases involving unjust, false, or wrong charges left over from the past; applied correct policies to 1,303 people; and paid over 1 million yuan in financial compensation.

What is even more gratifying is that the judicial contingent, consisting mainly of people of Tibetan nationality, has been gradually growing in strength and its quality has improved somewhat. Among the 858 court cadres and

men throughout the region, 656 are Tibetans. A professional judicial contingent mainly consisting of Tibetans has come into being.

Tibetan Pupils Receive Free Education

OW2702052091 Beijing XINHUA in English
0235 GMT 27 Feb 91

[Text] Beijing, February 27 (XINHUA)—About 8,000 Tibetan young people are receiving free education in 17 inland cities of China, the "PEOPLE'S DAILY" reported today.

The Beijing-based national paper said that, to help the Tibet Autonomous Region speed up its cultural and economic development, the State Council has since 1984 allocated a sum of 53 million yuan to inland cities to help educate Tibetan children.

Altogether 17 cities, including Shanghai and Tianjin, have opened three middle schools and 105 classes specially for Tibetan children since 1985.

According to the paper, these teenagers are well cared for by their teachers and the local people, and most have adapted quickly to their new surroundings.

North Region

Li Ximing Writes Inscription for Party School

SK2702095891 Beijing City Service in Mandarin
1000 GMT 31 Jan 91

[Text] This afternoon, a ceremony to mark the opening of a new school term of the second municipal part-time party school for middle school students was ceremoniously held at Shoudu Theater. Five hundred middle school students had the honor of becoming students of the party school.

Since its founding last year, the Beijing municipal part-time party school for middle school students has been warmly received by the broad masses of middle school students. The first municipal-level party school and the district-level branch party school enrolled a total of 1,000-odd students. The students systematically studied the party's basic knowledge and Marxist basic theories. Among them, 19 students had the honor of being admitted into the CPC. After the issuance of the student enrollment notice of the second part-time party school, more than 10,000 senior middle school students in eight urban and suburban areas throughout the municipality actively entered their names for attending the school. They will be classified to participate in activities in the municipal-level part-time party schools, district-level branch party schools, and party lecture study groups of various middle schools. By hearing a series of lectures, report meetings, and participating in social practice and watching good films such as "The Party's Daughter Baoerkezhajin," they will systematically study the party's basic knowledge and the Marxist basic theories

and probe into the heated issues which the middle school students are concerned about.

Li Ximing, secretary of the municipal party school, wrote an inscription for the party school. Leading comrades, including Yuan Liben and Chen Guangwen, attended the ceremony to mark the new school term. After the ceremony, (Yao Wang), executive deputy secretary of the municipal Communist Youth League Committee, gave the first party lecture "The Fate of Youths and the Party History."

Attends Commendatory Meeting

SK2702100691 Beijing City Service in Mandarin
1000 GMT 31 Jan 91

[Text] This afternoon, the municipal party committee and the municipal government held a ceremonious rally at the Great Hall of the People to commend advanced collectives and individuals working in eleven fields throughout the municipality, including the neighborhood committees, the villagers' committees, the grass-roots women's congresses, the public security committees, the people's mediation committees, and the patriotic public health, family planning, social welfare, youth education, red cross, and hydrophobia prevention units.

Li Ximing, secretary of the municipal party committee, and municipal Mayor Chen Xitong attended the rally. Comrade Zhang Jianmin, vice mayor of the municipality, presided over the rally.

Addressing the rally, Vice Mayor Su Zhongxiang warmly praised the broad masses of personnel working in these eleven fields across the municipality for their hard work during the past year, particularly their outstanding work achievements during the period to greet the Asian Games. He hoped that during this year they would resolutely implement the spirit of the seventh plenary session of the 13th party Central Committee, rally closely together, carry out all fields of work in a down-to-earth manner, further consolidate and develop the stable and united political situation, promote the Asian Games spirit, strengthen the building of socialist spiritual civilization, make the general mood of society, public security, and social order take a favorable turn, and create a better social environment for reform, opening up, and modernization construction.

Leaders of the central departments concerned, including Chen Minzhang, Doje Cering, Yu Lei, Feng Jun, Sun Boqiu, and Guo Ji, and leaders of Beijing municipal departments concerned, including Bai Jiefu, Li Qiyang, Yuan Liben, Li Guang, Huang Chao, He Luli, and Feng Mingwei, attended the rally and presented plaques of honor to 300-odd pace-setters of the advanced collectives and red-banner units, 3,960-odd advanced collectives, and 8,290-odd advanced individuals.

Beijing Municipality Plans Major Reforms

HK2502155691 Hong Kong ZHONGGUO TONGXUN
SHE in English 1332 GMT 25 Feb 90

[“Feature: Beijing Puts Forward Plan for Ten Major Reforms—by Yan Du”—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, February 25 (HKCNA)—The Beijing Municipal Government recently put forward a plan for ten major reforms of the economic structure during the Eighth Five-Year Plan period, explaining that the plan has been drafted in accordance with Beijing's situation following the past ten year's reform of the economic structure, the capital's position and characteristics. The plan is also considered as an important step in deepening economic structural reform.

First, reform of circulation structure. The current market has poor circulation due to the inadequate norms and therefore it is necessary to reform the present purchasing and marketing systems of daily foodstuffs including grain, edible oil, meat and eggs. The major measure is to abolish the existing subsidies and to implement the market pricing system.

Second, reform of enterprises. As for the state-owned large to medium-sized enterprises, the reform will be a continuous improvement to ensure profits going to the government, tax being paid to the government and economic efficiency.

The contract system will still be dominant but within a stricter framework while allowing the income of managers or plant directors to be up to three times the wages of workers. Other reforms such as the share-holding system will be continued on an experimental basis.

Third, agricultural economic reform is to be developed further in the direction of systematic management and the development of a batch of business groups integrating agriculture, industry, commerce and science. In addition, it will also aim to lead to a readjustment of rural enterprises to fit with the municipality's industrial development strategies.

Fourth, financial and taxation reform to strengthen financial control by the municipal government, to reduce subsidies and financial burdens, to set up a sound management system for state-owned assets, and to rectify the tax collection system by a series of measures.

Fifth, reform of the labour and wage system by gradually converting the present permanent employment terms to contracted bases to set up a multi-level labour service market. To further improve the measures to have wages rated in accordance with efficiency so that wages will fluctuate with the comprehensive economic results of the enterprises. To take measures for the gradual transition to a personal income tax system. To establish social insurance for retirement, unemployment and medical care.

Sixth, reform of the financial system mainly in the reinforcing and improvement of existing financial measures with the aim of setting up a comprehensive financial market of considerable scale with all kinds of functions in the latter part of the Eighth Five-Year Plan period.

Seventh, reform of the pricing system by combining readjustment with the opening policy by gradually shifting hidden subsidies into open subsidies.

Eighth, reform of the structure of science and technology by introducing the contracted responsibility system in order to promote the integration of scientific research, production and business operations and to have science and technology open to both domestic and foreign markets.

Ninth, reform of the foreign trade structure by ensuring a steady increase in exports, improving the contract responsibility system of foreign trade, improve the climate for investments, and further widen the channels for non-trade foreign exchange income including development of tourism and the export of labour service.

Tenth, reform of the housing system through different measures.

Xing Chongzhi Visits Zhangjiakou Army Unit

SK2702105591 Shijiazhuang Hebei Provincial
Service in Mandarin 2300 GMT 26 Feb 91

[Text] On 25 February Xing Chongzhi, secretary of the provincial party committee, visited the commanders and soldiers of a particular Army unit stationed in Zhangjiakou to solicit their opinions on local work. Xing Chongzhi held a cordial talk with Commander (Liu Yingtao) and Political Commissar (Chen Shuzhen), saying that the unit had made tremendous contributions to the stability of the populations of Zhangjiakou Prefecture and Zhangjiakou City over a long period of time. He hoped that relations between the Army and people, and between the Army and government, would become closer, and that their unity would be strengthened so that the work of supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs; of supporting the government and cherishing the people; and of building spiritual civilization cooperatively with the Army and the people can be promoted.

(Liu Yingtao) and others expressed gratitude to the people of Zhangjiakou for their concern and love for the People's Army. He pledged to make new contributions to the political, economic, and social stability of Zhangjiakou Prefecture and Zhangjiakou City. He also pledged to write a new chapter in the aforementioned three aspects of work. Accompanying Xing Chongzhi during the visit were (Zhang Deyin), (Wang Quan), Tian Zhentian, and (Huo Ziqi), leading comrades of Zhangjiakou Prefecture and Zhangjiakou City.

Hebei Province Intensifies Anticorruption Drive

OW2602130091 Beijing XINHUA Domestic Service
in Chinese 0505 GMT 26 Feb 91

[By correspondent Li Youyuan (2621 0645 0337) and
Bao Yonghui (0545 3057 6540)]

[Text] Shijiazhuang, 26 Feb (XINHUA)—Supervisory organs at various levels in Hebei Province relentlessly investigated major corruption cases to further deepen the anticorruption drive. Since the beginning of last year, they have completed the investigation of 4,366 cases, meted out administrative disciplinary actions to 2,557 persons, and transferred 202 persons to the judicial organs for prosecution. Through investigation, they have recovered 49.166 million yuan for the state.

The supervisory organs in Hebei have concentrated efforts on investigating and punishing the following major cases:

- Major cases involving the violation of laws and discipline by leading cadres. A total of 10 cases involving leading cadres at the department and bureau levels were investigated last year; and two cadres were punished.
- Corruption cases focusing on buying influence with money. More than 30 percent of the cases investigated last year involved embezzlement, bribe-taking, and power abuse for selfish gains.
- Economic cases. In conjunction with the drive to rectify unhealthy practices in various trades and professions, efforts were concentrated on investigations of failure to comply with orders and prohibitions and of resorting to various means to obtain illegitimate interests for individuals or "small groups," or cases of causing serious economic losses as a result of bureaucracy or the dereliction of duty. The Shijiazhuang prefectural supervision office investigated a major economic case on the illegal sale of cotton by several counties and cities under the prefecture, which involved a total of 28.295 million yuan.

Hebei Reports Suggestions on 10, 5-Year Plans

SK2702091591 Shijiazhuang Hebei Provincial
Service in Mandarin 2300 GMT 26 Feb 91

[Text] HEBEI RIBAO on 27 February carries on its first, second, and third pages the full text of the suggestions of the Hebei Provincial CPC Committee on the outlines of the 10-year program and the Eighth Five-Year Plan for national economic and social development adopted at the second plenary session of the fourth Hebei Provincial CPC Committee on 31 January 1991.

The suggestions consist of five parts:

1. The foundation for the 10-year program and the Eighth Five-Year Plan.
2. The guiding thoughts and major targets of the 10-year program.

3. The tasks and major points of the Eighth Five-Year Plan. In implementing the Eighth Five-Year Plan, the focus should be placed on greatly strengthening agriculture to change the passive situation, characterized by the weak agricultural foundation and the lack of strength for its sustained development, so that we can bring agricultural production up to a new stage. We should broaden the sources of water and reduce consumption to gradually ease the contradiction of water shortage. We should continue to strengthen basic industries and the construction of infrastructural facilities, to renovate and improve the processing industry, and to develop other industries in a coordinated manner. We should attach great importance to quality, variety, and efficiency, and should strive to improve the quality of industry as a whole. We should achieve more rapid scientific and technological progress and raise its efficiency so that scientific and technological efficiency will conform to economic construction. We should intensify the construction of key projects to increase the strength for sustained economic development. We should open wider to the outside world and achieve better results in foreign trade, foreign capital utilization, and economic and technological cooperation with foreign countries. We should bring population growth under strict control and upgrade the quality of the population. We should protect our resources and environment, and continuously raise the living standards of the people. We should make conscientious efforts to achieve success in increasing revenues and reducing expenditures in order to alleviate the strained financial resources. Finally, we should strengthen efforts to build spiritual civilization so that ideological and cultural work can develop in coordination with economic construction.

4. The orientation and tasks of the endeavor to deepen economic structural reform.

5. The political guarantee for implementing the 10-year program and the Eighth Five-Year Plan.

Hebei Radio To Readjust Various Broadcasts

SK2702105691 Shijiazhuang Hebei Provincial
Service in Mandarin 2300 GMT 23 Jan 91

[Text] Based on a wide investigation among the audience, the station readjusted the schedule of some radio programs in order to make broadcasting and propaganda work better serve both economic construction and improvement of spiritual civilization.

Through readjustment, the contents of some major radio programs are as follows: First, the provincial news hookup will be broadcast from 1830 to 1850. Second, the midday news will be broadcast from 1200 to 1210. Third, study and practice programs will be broadcast from 0600 to 0615. Fourth, the program airing economic information highlights will be renamed the general economic information program. The market information program will be abolished and the materials relating to market information will be broadcast through the general economic information program. The program covering the vertical and horizontal development of enterprise, which serves management, will be broadcast from

2145 Monday through Saturday. Everyday comical dialogue and music from the special column will be added to the cultural and artistic radio program and will be broadcast from 2100 to 2130 Monday through Saturday.

Friends in the audience: The readjusted schedule of the first-set programs will put into effect from 28 January.

Northeast Region

Heilongjiang Improves Overall Social Order

OW2602184791 Beijing XINHUA Domestic Service in Chinese 2108 GMT 25 Feb 91

[By reporter Liu Yuxun (0491 3768 8113)]

[Text] Harbin, 26 Feb (XINHUA)—After a year of efforts, Heilongjiang Province has achieved remarkable results in maintaining overall social order. Last year, the number of crimes across the province dropped 14.1 percent over 1989 figures. Previously, people were generally dissatisfied with social order in the province. As revealed in a recent survey, 70 percent of the people indicated their satisfaction with the above achievement.

One year ago, Heilongjiang Province began improving its social order in an all-around way, aiming to become one of the regions in China with relatively good social order within a year. Secretary of the provincial party committee Sun Weiben and Governor Shao Qihui reiterated on several occasions: In social order work, we should resolutely strive to accomplish whatever the masses anxiously expect, and we should exert our best efforts to eliminate whatever the people detest. Party committees and governments at various levels throughout the province must place this work on their daily agenda of important tasks; all key leaders should participate in this work.

In addition, Heilongjiang Province has realistically enforced the policy that "he who is in charge is held responsible," relentlessly punishing responsible officials whose irresponsible behavior caused losses. In 1990, because of irresponsibilities, 6,261 people, including more than 400 cadres at sectional and departmental levels, were assessed different penalties in the province. The whole province has basically reversed the concept that social order is only "the business of public security departments and police and has nothing to do with individuals." A new situation prevails whereby departments and units at various levels work together in improving social order.

Extensive mobilization of the masses is another way of improving social order in Heilongjiang Province. Some 20,000 people have joined various types of security organizations across the province. Factory security teams, school security groups, joint security teams, and watchmen are scattered throughout urban and rural areas. In 1990, the masses reported more than 2,000 clues which led to the solving of crimes and the arrest of

over 1,000 criminals in Harbin City. Those ready to take up cudgels for a just cause continue to emerge from among the masses.

He Zhukang on Ideological Construction

SK2602075191 Changchun Jilin Provincial Service in Mandarin 2200 GMT 25 Feb 91

[Text] In order to further implement the guidelines of the seventh plenary session of the 13th party Central Committee and the important directives given by Comrade Jiang Zemin during his inspection tour in our province and to implement the decision of the sixth plenary session of the fifth provincial party committee on strengthening the party's ideological and political work, the provincial party committee held a symposium on strengthening the party's ideological and political work in Changchun on 20-24 February. This symposium was concentrated on the topic of how to strengthen the party's ideological construction during the new historical period. The participants deeply studied and probed into the issues by combining theory with practice. More than 20 comrades took the floor one after another. They enthusiastically and fully discussed the issues of how to face the current complicated international situation and the arduous task of socialist modernization, reform, and opening up and to understand the extreme importance and urgency of strengthening the party's ideological construction, how to enhance the concept of party leadership, strengthen the ideology of holding office, raise the capability of holding office and consolidate the status of power, how to deeply and enduringly struggle against bourgeois liberalization, counter infiltration and subversion and oppose peaceful evolution, how to deeply carry out struggle in the ideological sphere and adopt a clear-cut stand to oppose individualism, and how to take Marxist theory as guidance to enhance the quality of party members.

Comrade He Zhukang gave a speech at the end of the symposium. He particularly expounded on three issues.

1. Understand the important significance of strengthening the party's ideological construction from a strategic perspective.

Comrade He Zhukang said: Under the new historical condition, we must uphold the Marxist stand while generally viewing the overall situation inside and outside the party, at home and in the world, face reality, master the future, fully understand the urgency and profound strategic significance of further strengthening party building, particularly ideological construction, and consider the strengthening of party building as an important task. The party committee secretaries should personally attend to this work and the whole party should also grasp it conscientiously. He stressed: We should understand the extreme importance of strengthening the party's ideological construction from the great background of international struggle, from the major practical significance of building socialism with Chinese characteristics, and from the party's present situation.

2. Successfully grasp the party's ideological construction by combining study with criticism and theory with practice.

Comrade He Zhukang noted: The party's ideological construction work should be focused on construction. Through our years of efforts, we should foster a mental state and moral character inside the party that conforms with the title of the Communist Party, meets the needs of the time, the need for realizing the party's fighting program, and opposes all sorts of bourgeois ideas. Through ideological construction, we should foster among the broad masses of party members the following few ideas and one concept: First, the idea of carrying out the revolution through to the end and struggling our whole life for the ideal of communism; second, the idea of believing in and relying on the masses and wholeheartedly serving the people; third, the idea of never forgetting the class struggle and always preparing for danger in time of peace; fourth, the concept of relying on organizations and strengthening the party's leadership; and fifth, the idea of seeking truth from facts and being strict and conscientious. During this year and a certain period of time in the future, the party's ideological construction work should be focused on solving problems on conviction and on world outlook. We should conduct education on the party's program and purpose, launch struggle against peaceful evolution, bourgeois liberalization, and individualism, attain the aim of being steadfast in theory, pure and vigorous in ideology.

During this year, we should grasp the following five aspects of work:

1) We should consider the study and implementation of the seventh plenary session guidelines as a task of prime importance during this year's party ideological construction.

2) We should consider grasping a scientific world outlook and methodology as a core and further strengthen education on the party's ideological line.

3) We should begin our work with opposing individualism and strengthening party building with the spirit of rectifying incorrect party work.

4) We should consider resisting international hostile forces' strategy on peaceful evolution as an important task of the party's ideological construction.

5) Through the activities to commemorate the 70th anniversary of party building, we should promote the party's ideological and theoretical construction and the building of work style.

3. Carefully organize and carry out the work.

Comrade He Zhukang stressed: We should realistically attend to the party's ideological construction and have a practical plan. Leading cadres should take the lead in strengthening self-cultivation in party spirit, closely combine the party's ideological construction with economic construction, and carry out the two simultaneously. We should publicize positive examples and boost positive enthusiasm. In upholding reforms, we

should pay attention to conducting the investigation and study of systems and policies, solve problems, consolidate achievements in ideological education and construction and the building of organizations and work style and strengthen supervision and inspection.

Comrade He Zhukang said in conclusion: The last 10 years of this century are a very crucial 10 years. On the basis of realizing the first-step strategic objectives, we should successfully fulfill the second-step strategic objectives. We must have a strong sense of historical responsibility and mission, realistically strengthen the party's ideological construction, enable our province's party organizations to become stronger in politics, more united in ideology, and more mature in theory, and to stand all sorts of storms, and unite with and lead the masses of people to work hard and engage in arduous struggle, and to push our province's socialist modernization construction forward.

Jilin's Shuangliao Station Begins Broadcasting

SK2602075991 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 25 Feb 91

[Text] After more than one year's construction, the Shuangliao People's Broadcasting Station succeeded in trial broadcasting on 15 October last year. With the approval, after inspection, of the provincial radio and television department, the Shuangliao County Rediffusion Station was renamed the Shuangliao People's Broadcasting Station on 26 December last year. On 11 February this year, this station formally began broadcasting, and good results have been achieved.

Jilin Radio, TV Ventures in 7th Five-Year Plan

SK2602055191 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 25 Feb 91

[Text] During the Seventh Five-Year Plan period, the relevant departments of the state and governments at all levels paid great attention to our province's radio and television undertakings in the border areas and provided active support in terms of manpower as well as material and financial resources. During the last decade, our province built a medium-wave transmitting station and a relayed station, increased two experimental stations, 15 FM stations, and 438 television transmitting and relayed stations, newly built 262 ground satellite receiving stations, 37 microwave stations, and renovated and built 124 standard radio stations in townships and towns.

Liaoning Leaders Discuss Improving Social Order

SK2702092891 Shenyang Liaoning Provincial
Service in Mandarin 2300 GMT 27 Feb 91

[Text] On the morning of 26 February, Quan Shuren, secretary of the provincial party committee; Sun Qi, deputy secretary of the provincial party committee; Zuo Kun, vice chairman of the Standing Committee of the provincial People's Congress; and Chen Suzhi, vice governor of the provincial government; called on the comrades participating in the provincial meeting on

overall improvement of social order, and held a forum of principal leaders of provincial-level departments and various cities on the issue of how to comprehensively improve social order.

(Chen Tianmin), deputy secretary of the Tieling City party committee, said at the forum: Now, we still have a long way to go in regard to the overall improvement of social order. Our social order is a syndrome and a chronic disease. This needs a prescription written out by all of us as well as a long-term treatment.

Leaders of Dandong, Anshan, Yingkou, Jinzhou, and Fushun Cities introduced their experiences and set forth many constructive suggestions.

Quan Shuren stressed at the forum: Party committees and governments at various levels should upgrade their understanding of the overall improvement of social order, should mobilize the forces of all departments and units, and should attend to the work in a down-to-earth manner.

Leaders Sun Qi, Zuo Kun, and Chen Suzhi also made speeches at the forum.

At the forum, the provincial party committee and the provincial government cited 32 advanced units emerging from the struggle against serious criminal offenders, 138 units with outstanding contributions to the overall improvement of social order, and 136 outstanding workers.

Liaoning To Hold CPPCC Session 7 March

SK2602085991 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 25 Feb 91

[Excerpt] The 13th Standing Committee meeting of the sixth provincial committee of the Chinese People's Political Consultative Conference [CPPCC] concluded in Shenyang this afternoon after a three-day session. Guided by the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, the meeting discussed the work report of the provincial government drafted for soliciting opinions, discussed and approved in principle the work report of the Standing Committee of the provincial CPPCC committee drafted for discussions, and discussed and approved the namelist of the new members, and matters related to the convocation of the fourth session of the sixth provincial CPPCC committee.

The meeting decided to hold the fourth session of the sixth provincial CPPCC committee in Shenyang on 7 March 1991.

Present at this afternoon's session were Xu Shaofu, chairman; Shen Xianhui, Chen Enfeng, Chen Yanzhi, Niu Pingfu, Liu Mingjiu, Ma Lu Guangji, Ma Longxiang, Yue Weichun, Liu Qingkui, Peng Xiangsong, Li Qisheng, Li Ming, and Wang Shuzhi, vice chairmen; Yu Jingqing, former vice chairman; and Lu Binghua, secretary general of the provincial CPPCC committee. Liu Qingkui, vice chairman of the provincial CPPCC committee, presided over the session. Shen Xianhui, vice chairman of the provincial CPPCC committee, gave a speech to summarize the meeting. He said: With many difficulties and problems, our

province's economic situation will be very grim, and its work tasks very arduous this year. Based on the guidelines of the seventh plenary session of the party Central Committee, and focusing on the central tasks of the provincial party committee and government, and the development of the two civilizations, we should conduct in-depth investigation and study, offer high-quality opinions and suggestions, and perform still better our basic functions of political consultation and democratic supervision. Accomplishment of this year's work and even the goals to be attained in the Eighth Five-Year Plan period require the concerted efforts of all the people and departments throughout the province. As an organization of the broadest patriotic united front under the CPC leadership, the CPPCC should persist in the system of multiparty cooperation and political consultation under the CPC leadership, develop its superiority and special role, unite the various democratic parties, mass organizations, patriotic figures without party affiliation, people of various nationalities throughout the province, Hong Kong, Macao, and Taiwan compatriots and Overseas Chinese, and mobilize all positive factors to devote themselves to the great socialist construction focusing on economic construction. [passage omitted]

Northwest Region

Gu Jinchí Inspects Longxi, Weiyuan Counties

HK2702021991 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 25 Feb 91

[Text] During his investigation and research at the grass-roots level, provincial party committee Secretary Gu Jinchí pointed out: Spiritual civilization building as well as ideological and political work must serve economic construction. In trying to attain the second-stage strategic goals, all areas must adhere to economic results as the center and do a good job in all types of work.

The past two days, Comrade Gu Jinchí visited enterprises and rural areas of Longxi and Weiyuan Counties where he held extensive talks with the broad masses of cadres and people, propagated and implemented the spirit of the Seventh Plenary Session of the 13th CPC Central Committee and the spirit of the enlarged meeting of the provincial party committee, helped the grass roots formulate their 10-year programs and Eighth Five-Year Plan, and studied and solved practical problems.

The per capita cultivated area of (Wuyi) Village, (Nanan) Township of Longxi County is only 0.4 mu. Over the past few years, the village has implemented the party's policies aimed at bringing prosperity to people, brought into play local superiorities, and developed a diversified economy. Last year, the net per capita income of the villagers reached 527 yuan while the village's per capita grain output reached 141 kilograms, both representing a big increase over the previous year. Comrade Gu Jinchí affirmed the achievements scored by the villagers and urged them to promote agricultural development by relying on science, technology, and education, achieving prosperity through honest labor, and making greater progress.

Comrade Gu Jinchu also listened to the work reports of the Longxi County party committee and the Weiyuan County party committee.

The provincial party committee and government held a meeting of leading cadres in early February. When the meeting ended, the Weiyuan County party committee began conscientiously implementing the spirit of the meeting in light of the realities in Weiyuan County, formulated specific measures, transformed style, and urged cadres to stop making empty talk, study more questions, and do more practical things for the masses. Comrade Gu Jinchu affirmed its work and called on cadres going down to the grass roots to summarize laws in light of actual conditions in different types of villages to more successfully guide work.

Yin Kesheng Addresses Standing Committee

HK2702102191 Xining Qinghai Provincial Service in Mandarin 2300 GMT 25 Feb 91

[Excerpts] Yesterday morning, the provincial party committee held a Standing Committee meeting which studied current economic work. [passage omitted]

Provincial party committee Secretary Yin Kesheng presided and delivered a speech at the meeting.

He said: All areas throughout the province are now relaying the spirit of the sixth plenary session of the seventh provincial party committee and making arrangements for carrying out various tasks this year. At present, the provincial party committee should lay stress on successfully grasping six things which have an important bearing on the overall situation, clearly define work and responsibilities, and conscientiously carry out work in this connection.

Yin Kesheng said: The first thing we must successfully grasp at present is spring plowing production. It is necessary to organize forces and transfer cadres to the rural areas to help the peasants successfully grasp this work. [passage omitted] Cadres of party and government organs at and above county level must be mobilized and must go to the forefront of spring plowing production, serve spring plowing production, and strengthen leadership over spring plowing production. [passage omitted]

Yin Kesheng said: The second thing we must successfully grasp at present is pooling the wisdom and efforts of everyone to invigorate enterprises and help enterprises extricate themselves from difficulties and passivity. He said: While successfully grasping spring plowing production, we must devote more energy to showing concern for and strengthening enterprise production. Departments in charge of industry, as well as comprehensive economic departments, must take immediate action to organize and send cadres to enterprises to carry out in-depth investigations, adopt measures suited to actual conditions, and put forward measures for improvement. [passage omitted]

Comrade Yin Kesheng pointed out: It is necessary to firmly grasp the work promoting Qinghai's development through science and technology from the beginning of this year. The scientific and technological front must immediately launch a great upsurge in promoting agricultural and enterprise development through science and technology. [passage omitted]

Comrade Yin Kesheng said: It is necessary to put forward, as soon as possible, specific plans for the next period on the basis of summing up the work of helping the poor over the past five years. [passage omitted]

Yin Kesheng also expressed his views on successfully carrying out opening up and winning support from coastal and economically developed areas and on investigation and experimentation work relating to instituting a service system in rural areas. [passage omitted]

Comrades Jin Jipeng and Sang Jicai also expressed their views respectively on successfully carrying out industrial production and propaganda work.

Xinjiang People's Congress Committee Meets

OW2702081991 Urumqi Xinjiang Television Network in Mandarin 1650 GMT 26 Feb 91

[From the "Xinjiang News" program]

[Text] The 19th session of the Seventh Xinjiang Autonomous Regional People's Congress Standing Committee opened in Urumqi on 26 February. Li Jiayu, vice chairman of the autonomous regional People's Congress Standing Committee, presided over today's meeting.

The participants in the meeting first adopted an agenda, and then heard a report by the autonomous regional people's government on the formulation of the 1991 economic and social development plan, a report on the 1991 autonomous regional budget, the Second Five-Year Plan for carrying out education and propaganda on the legal system, and a report on the 1990 election of new county and township people's congresses.

The participants also will deliberate a decision on convening the fourth session of the seventh autonomous regional People's Congress, and discuss and examine a proposal on personnel appointments and removals.

Present at today's meeting were Sawdanov Zayir, Mahinur Kasim, Saersibik Istik, Zhang Shaopeng, Ma Mingliang, Kurban Ali, Xu Peng, Turbayim, other vice chairmen of the autonomous regional People's Congress Standing Committee. Attending today's meeting as nonvoting delegates were Hederbai, vice chairman of the autonomous regional people's government; Yibulayin Rouzi, vice chairman of the autonomous regional committee of the Chinese People's Political Consultative Conference; Kurban Rouzi, president of the autonomous regional Higher People's Court; and Mijiti Kurban, chief procurator of the autonomous regional People's Procuratorate.

Hao Po-tsun Addresses Meeting of Entrepreneurs*OW2602155091 Taipei Domestic Service
in Mandarin 2300 GMT 25 Feb 91*

[Text] Speaking at a Spring Festival gathering of industrial and commercial organizations yesterday, Premier Hao Po-tsun of the Executive Yuan said to entrepreneurs: The year 1991 is very challenging and crucial. The industrial and commercial communities should work closely with the government in a joint effort to break new ground in the economy under the Six-Year National Development Program.

Hao Po-tsun predicted that the Middle East war will end shortly, and that reconstruction of the Middle East will create many favorable opportunities. He urged local businessmen to seize those opportunities.

Hao Po-tsun said: This year marks the beginning of a new period for political renewal and economic development. Both the government and the industrial and commercial communities should accept challenges and surmount difficulties to show concern for national development in the future. In particular, the industrial and commercial communities should work constantly to enhance their competitiveness, display an enterprising spirit, and promote teamwork in order to gain a foothold in the world economy.

Outlines Development Plan*OW2602185291 Taipei CNA in English 1521 GMT
26 Feb 91*

[Text] Taipei, Feb. 26 (CNA)—Premier Hao Po-tsun pledged Tuesday that the Six-Year National Development Plan drafted by his cabinet will win respect and dignity for the Chinese on Taiwan when it is completed in 1996.

Hao told the Legislative Yuan in an administrative report that the NT\$8.2 trillion [new Taiwan dollars] (U.S.\$302 billion) plan aims to raise national income, to stimulate industrial development, to promote balanced regional development, and to improve the quality of life.

Describing the plan as "forward-looking and flexible," Hao said it will help realize the Republic of China's goal of entering the ranks of developed countries before the turn of the century.

According to the 1991-1996 plan, the country's economy will grow an average seven percent annually during the six-year period, with its gross national product and per capita income increasing rapidly.

"At this critical moment, the private sector should actively participate in the plan and not just stand idly by," the premier said, as he called for increased private investment in various huge construction projects.

During the past year, Hao told the national legislature, the economy grew a relatively low 5.2 percent, with foreign trade increasing 2.9 percent from a year before to U.S.\$121.9 million and the nation's trade (with the

U.S.) declining 10.4 percent to U.S. \$12.5 billion. Per capita GNP was U.S. \$7,990.

This year, he noted, the government's major economic goals include expanding public investment, improving the investment environment, exploiting more foreign markets, assisting small- and medium-sized businesses, and privatizing public enterprises.

Special efforts will be made to implement a number of major transportation projects, including the second northern Taiwan freeway, scheduled to be completed in 1992, and the Taipei mass rapid transit system, the first line of which is expected to enter service in September 1991, Hao said.

As to agriculture, whose share of the domestic gross product shrank from 5.5 percent in 1989 to 4.3 percent in 1990, the policy will stress improving production structures and farmers' income, he noted.

Explains Thrust of Reunification Goals*OW2602185591 Taipei CNA in English 1554 GMT
26 Feb 91*

[Text] Taipei, Feb. 26 (CNA)—Premier Hao Po-tsun said Tuesday that the Republic of China's [ROC] mainland policy aims to unify China in a peaceful and democratic way.

In his administrative report to the Legislative Yuan Hao said the government's mainland policy (is premised) on the well-being of the 20 million residents and national security of the Republic of China on Taiwan.

Its ultimate goal is to unify China so that all Chinese can enjoy freedom, democracy and an equal distribution of wealth, the premier added.

He cautioned that the mainland policy must not be pushed ahead one-sidedly or the ROC might fall into a trap set by the Chinese communist regime.

"The mainland policy should be carried out in gradual phases, in accordance with the natural development of interactions between the people on both sides of the Taiwan Strait," he said.

Hao reaffirmed that the termination of the 42-year-old "Period of Mobilization and Suppression of the Communist Rebellion," to be announced by President Li Teng-hui in May, does not mean a change in the Republic of China's anti-communist policy.

The state of war across the strait will not cease with the end of the "period of communist rebellion," he added.

Stressing the importance of "national strength," Hao said that only political stability, strong armed forces, economic development and social stability will allow the Republic of China to inspire Mainland Chinese.

"If we don't achieve these goals, ambition will collapse into pipe dreams," he commented. ("As before)," he added, "we base our mainland policy on our real strength."

Hao said the government has established the presidential National Unification Council, the supra-ministerial Mainland Affairs Council, and a private Foundation for Exchanges Across the Taiwan Strait to promote the mainland policy.

The government will work, through these organizations, for the common interest of the people across the strait so that a democratic and unified China with an equitable distribution of wealth will be realized at an early date, he concluded.

National Assembly To Hold Special Session

*OW2602154891 Taipei Domestic Service
in Mandarin 2300 GMT 25 Feb 91*

[Text] President Li Teng-hui will promulgate a decree this morning on convening the Second Extraordinary Session of the First National Assembly. A total of 619 National Assembly members are scheduled to begin reporting for the session on 29 March.

Chu Shih-lieh, acting secretary general of the National Assembly, said yesterday: The extraordinary session is scheduled to last 15 days. If the agenda is too long, the meeting will be extended for 2 or 3 days. The Presidential Office's First Bureau yesterday finalized relevant work on promulgating the decree.

Chu Shih-lieh said: The National Assembly's Secretariat will send people to the Presidential Office this morning to obtain the decree [words indistinct]. Afterward, it will hold a press conference and deliver copies of the decree to the National Assembly members immediately. Chu Shih-lieh went on: Of the current 619 National Assembly members, 44 are overseas deputies. The Secretariat will send copies of the decree to them by registered air mail. A task force under the Directorate General of Posts will be tasked with delivering copies of the decree to the 575 deputies at home, who may expect to receive the decree today.

The extraordinary session of the National Assembly has been scheduled to be held at the Chungshan Hall on Yangmingshan on 8 April. According to past practice, deputies are required to report 10 days before the opening of the session. Therefore, the day for reporting is 29 March.

Representative Grants Interview on Economic Growth

*OW2702040291 Taipei CNA in English 0248 GMT
27 Feb 91*

[Text] Brussels, Feb. 26 (CNA)—The Republic of China [ROC] on Taiwan will continue to maintain its rhythm of economic growth in the next decade in line with the implementation of the projected U.S. \$300 billion national development plan, Benjamin C. C. Lu, ROC representative in Belgium, said in a recent interview with the Belgian news agency BELGA.

The ROC on Taiwan is one of the countries having reached the highest economic level in Far East, and also a country with national richness evenly shared by all walks of life in the society, the director of the Taipei Economic and Cultural Office (TECO) in Brussels said.

Lu made the statement when he was meeting with Count William Ugeux, president of the Belgo-ROC Friendship Association. He stressed that the ROC Government welcomes Belgian enterprises to participate in its national construction under the six-year development plan.

Talking about the reunification of China, Lu said the case could not be compared with the German issue simply because the two parts of Germany were not as much different each after in territorial dimension, population and living level as Taiwan and Mainland China.

Under such circumstances, the unification could be reached until the living standard progresses on the Chinese mainland, and that economic and social differences are reduced between the two sides of the Taiwan Straits, Lu noted.

The TECO general director also expressed hope to see a process of liberalization and democratization on the Chinese mainland in order to reduce differences between the two sides of the Taiwan Straits.

Mideast Oil Supplies Unaffected by Ground War

*OW2602182191 Taipei International Service
in English 0200 GMT 26 Feb 91*

[Text] The state-run Chinese Petroleum Corporation [CPC] stated on Monday that while a land war has broken out in the Middle East, obtaining oil from the Middle Eastern region by the CPC has not been affected.

Vice President of the CPC Kuo Yung stated that currently the CPC receives its oil from ports in the Red Sea, and there are people guarding the ports to ensure safety. Kuo said that domestic oil reserves are more than safe at the current 137 days. In addition, the CPC has an option in picking up another 7 million barrels of oil in March which will further up reserves.

He said that unless the war affects (other) factors of oil shipments in the Persian Gulf region, otherwise the CPC will not consider tapping its vast reserves stored on the island.

U.S. Official To Hold Trade Talks in March

*OW2702040491 Taipei CNA in English 0243 GMT
27 Feb 91*

[Text] Washington, Feb. 26 (CNA)—Natale Bellocchi, chairman of the American Institute in Taiwan [AIT], said here Tuesday that he will have informal talks on trade, politics and other issues with as many people in Taiwan as possible during his forthcoming visit to the Republic of China [ROC] in March.

At a press conference in the AIT head office, Balloccchi said that he and his wife are scheduled to arrive in Taipei March 5 for a three-week visit.

He said he will stop in Kaohsiung and then drive north from there, making stops along the way to visit Tainan, Chiayi, Changhua, Taichung and Hsinchu in order to meet with Taiwan Gov. Lien Chan, county magistrates, as well as members of county assemblies.

He said he has chosen March for the visit because, with the national assembly scheduled to meet in April, it would be interesting to see much going on in Taiwan. Another reason for the visit, he said, is that Taiwan has recently worked out a six-year development plan, which is of great interest to the United States.

On the relationship between the United States and Taiwan, he said the bilateral ties are running very well, with "no big trouble spots." He acknowledged that there are many things to be discussed in trade, but said problems are always expected with bilateral trade growing to such an enormous size.

Bellocchi noted that Taiwan's trade surplus with the U.S. has been dropping and termed it one of the "pluses in our relationship."

Asked whether he would talk with officials in Taipei about possible ROC contributions to the Persian Gulf operations, the AIT chairman said he would not bring up the subject during the visit.

"Taiwan has an international presence around the world. They know where their interests are... They are fully capable of measuring their own interests," he said.

Bellocchi pointed out that Taiwan has already contributed 30 million U.S. dollars to three frontline states in the Gulf region in accordance with its own interests. It is not necessary to make a U.S. connection to such contributions, he said.

He denied there is any U.S. pressure on Taiwan regarding burden-sharing in the Gulf war, saying that it is entirely up to Taiwan to decide what to do.

Prolongation of Officer Service Disallowed

OW2602182791 Taipei International Service in English 0200 GMT 26 Feb 91

[Text] A Defense Ministry spokesman has said that starting from 1992, military officers will not be allowed to prolong their service when it is time for them to be discharged. The plan which covers all ranks and officers including generals aims at allowing a younger generation of officers to move up in the military hierarchy.

Sources said that currently many top-ranking posts in the military are held by generals who should have retired a long time ago.

Taiwan Signs Cooperation Accord With UAE

OW2602154191 Taipei CNA in English 1443 GMT 26 Feb 91

[Text] Taipei, Feb. 26 (CNA)—The China External Trade Development Council, (CETRA) signed an agreement of

mutual cooperation Tuesday with the Sharjah Chamber of Commerce and Industry, United Arab Emirates.

CETRA Secretary General Augustin Liu and Chairman of the Sharjah Chamber of Commerce and Industry Hassan Abdullah al-Noman [name as received] presided over the signing ceremony.

Under the agreement both sides will assist each other in trade exhibitions or fairs, sponsor visits of trade missions and take other steps to promote trade and economic cooperation between the two countries.

Al-noman said the signing of the pact "will form the cornerstone of future joint activity in industrial investment and trade."

The United Arab Emirates possesses an advanced industrial base, initially dependent on its extensive oil revenues but now increasingly diversifying its income through light industrial development, agriculture and extensive regional re-export operations, al-Noman added.

"We wish to offer our real desire to industrialists from your country the opportunity to take part in developing our national industrial base," he said.

Liu said that though the Republic of China and the United Arab Emirates do not maintain formal ties, both sides have close, substantive economic and trade ties.

Liu noted that CETRA is organizing trade promotion groups to the Middle East. Once the hostilities in the Gulf region come to an end, the groups will be on their ways. As UAE maintains close trade relations with ROC [Republic of China], it could become a base for ROC businessmen promoting trade in the region.

Two similar agreements were signed earlier with the Chambers of Commerce and Industry of Dubai and Abu Dhabi.

Two-way trade between the ROC and the UAE totaled US\$610 million 1st year, an increase of 34 percent over the preceding year. ROC's main exports to the UAE are electronics, garments and textiles, auto parts, plastic products, machinery equipments, and daily necessities; imports from the Emirates are mostly crude oil, natural gas, refined petroleum products, and chemicals.

President Greet Dominican Republic Leaders

OW2602191191 Taipei CNA in English 1535 GMT 26 Feb 91

[Text] Taipei, Feb. 26 (CNA)—President Li Teng-hui and Premier Hao Po-tsun of the Republic of China cabled Dominican Republic President Dr. Joaquin Balaguer Tuesday on the occasion of the Feb. 27 independence day of the Caribbean country.

Foreign Minister Fredrick Chien also sent his felicitations to his counterpart Joaquin Ricardo Garcia.

Hong Kong

Hong Kong Businessmen Tried in Guangzhou

HK2702063991 Hong Kong MING PAO in Chinese
27 Feb 91 p 6

[“Accused of Harboring Chen Ziming and Wang Juntao, Lo Hai-hsing (5012 3189 2502), a Hong Kong Businessman, Is Brought to Trial in Guangzhou”]

[Text] Guangzhou (MING PAO)—Hong Kong businessman Lo Hai-hsing, together with two other men, who were arrested in Guangzhou in October 1989 on the charge of suspected involvement in assisting mainland pro-democracy activists including Chen Ziming to flee to foreign countries, were formally brought to trial by the Guangzhou Intermediate People's Court yesterday under an accusation of “harboring counterrevolutionaries.” However, the families of the three men were not notified to hear the case in court.

The two Hong Kong men brought to trial together with Lo Hai-hsing were Li Lung-ching [2621 7893 1987] and Li Per-cheng [7812 3099 2052]. The three have been detained for as long as 17 months since they were arrested by the authorities for plotting and making arrangements for Chen Ziming, Wang Juntao, and others to sneak out of the country.

The trial yesterday lasted two and a half hours, but no sentences were given. It is reported that the court decision on this case, which falls beyond the jurisdiction of the Guangzhou People's Court, will be made by Beijing. Sentences are expected to be announced several days later.

It is learned that the court had not notified the families of the accused to hear the case in court before bringing the three men to trial. However, Lo Hai-hsing's younger brother happened to be in Guangzhou yesterday and was permitted to hear the case from the public gallery upon his persistence.

According to what was seen by his younger brother, Lo Hai-hsing appeared to be in good health and in a good mood. This was the first meeting between Lo and his family since he was detained in Guangzhou. However, the persons concerned did not allow Lo's younger brother to talk to Lo throughout the trial.

In another development, the families of Lo Hai-hsing cited him as saying to his lawyer in a Guangzhou detention house last week: “I hope my case can be concluded soon.”

The defending lawyers of the three men, including one assigned by the authorities to defend Li Pei-cheng, pleaded a light sentence for the defendants, for they have already admitted their guilt.

Lo Hai-hsing's wife Chou Mi-mi [0719 5778 5778] said: “I hope they can make a decision at an early date and let my husband go home as soon as possible.” According to

Chou Mi-mi, the reason she failed to attend her husband's trial in Guangzhou is that she was notified of her husband's trial by his lawyer only a few hours before the trial.

Lo Hai-hsing, a 42-year-old Hong Kong businessman, was once a chief representative of the Hong Kong Trade Development Board in Beijing. During the 17 months of his detention, his family living in Hong Kong has not been permitted to visit him, but can only maintain regular correspondence. Lo's family has repeatedly sent letters to XINHUA Hong Kong Branch as well as public security organs inside the mainland demanding permission to visit and an early release of Lo Hai-hsing, but has yet to receive a reply.

It is reported that the Hong Kong Government has made “several dozens” of contacts with Chinese officials accredited to Hong Kong and the Beijing side to express its concern over the three detainees and demand to have relevant information supplied and permission of visits granted to their families. However, the Chinese side has only provided “very little” information so far, asserting that those Chinese residents living in Hong Kong who are arrested in China for criminal offenses should be dealt with in accordance with Chinese law.

Lu Ping Writes on Hong Kong, Macao Stability

HK2702083991 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 14 Feb 91 p 5

[Article by Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office: “Working Together With One Heart, We Have Splendid Prospects”]

[Text] The Spring Festival—the second traditional festive occasion for the Chinese nation in the 1990's—has arrived amid the gaiety of songs. On this joyous occasion, I sincerely wish Hong Kong and Macao compatriots a Happy Lunar New Year, good luck, smooth sailing, and splendid prospects!

In the just-concluded 1980's, the motherland made major progress in its great cause of peaceful reunification. After Sino-British and Sino-Portuguese talks, the two governments signed on separate occasions the Sino-British Joint Declaration on Hong Kong and the Sino-Portuguese Joint Declaration on Macao, confirming that China will resume exercising sovereignty over Hong Kong on 1 July 1997 and over Macao on 20 December 1999, thus satisfactorily resolving the problems left over from history between China and Britain and China and Portugal. Since signing the two declarations, Hong Kong and Macao's futures have become clear, the situation has remained good on the whole, economic prosperity has persisted, social stability has made itself felt, and the Hong Kong and Macao people have continued to work and live in peace. Witnessing these spectacular scenes in Hong Kong and Macao, we feel deeply that the policies and principles adopted by the Chinese Government toward Hong Kong and Macao are completely correct.

conducive to their economic prosperity and social stability, and conform to the fundamental interests of the people of Hong Kong and Macao. As everyone is aware, since the founding of New China 40-odd years ago, the Chinese Government has adhered with consistency and stability to its policies toward Hong Kong and Macao and preserved maximum stability and prosperity in Hong Kong and Macao despite changes and difficulties on the mainland. Particularly after the Third Plenary Session of the 11th CPC Central Committee, we proposed the formula of "one country, two systems" in a down-to-earth manner by considering history and respecting reality; we proposed resuming the exercise of sovereignty over Hong Kong and Macao as well as basic principles for prolonged stability and prosperity and a number of special policies. These principles and policies are embodied in the two joint declarations and their annexes. Over the last few years we have successfully formulated the "Basic Law of the Hong Kong Special Administrative Region [SAR]" and now the "Basic Law of the Macao SAR" is being smoothly drafted. These two basic laws will confirm China's policies and principles toward Hong Kong and Macao in a legal form to ensure their future implementation. Practice has proved repeatedly that our formula of "one country, two systems" and our special policies toward Hong Kong and Macao are not just expedient plans; they are long-term and major strategic decisions which will remain unchanged and cannot be altered.

Preserving the stability and prosperity of Hong Kong and Macao and ensuring the smooth transfer of power in 1997 and 1999 will depend on close and friendly cooperation between China and Britain and between China and Portugal. For the last few years China and Britain and China and Portugal have conducted effective and friendly cooperation in implementing the Sino-British and Sino-Portuguese Joint Declarations and have resolved a number of problems. We should not deny that some difficulties, which we did not wish to see, have cropped up in Sino-British relations and not because of us. We have always maintained that close Sino-British and Sino-Portuguese cooperation is an important factor for resolving the Hong Kong and Macao issues. The Chinese Government has reiterated that it will, as always, unswervingly abide by the two joint declarations. On the Hong Kong issue, we do not intend to interfere in Hong Kong's pre-1997 administrative affairs but, naturally, we have the duty to ask about major matters straddling 1997 or related to the smooth transfer of power, for which the SAR will be responsible. This fully conforms with the spirit of the Sino-British Joint Declaration on Hong Kong. We sincerely express our willingness to strengthen friendly cooperation with the British and Portuguese Governments on the basis of the two joint declarations to lay an excellent foundation for the smooth return of Hong Kong and Macao and for their prosperity and stability.

The 1990's are an important period for Hong Kong and Macao, during which the great moment will arrive for

the return of Hong Kong and Macao to the motherland, a wish eagerly cherished by the descendants of Emperor Huangdi in the country and abroad. The concept of "one country, two systems" will materialize in the 1990's. This is a matter of great historic and international significance. In the past period, Hong Kong and Macao compatriots made contributions to the realization of the motherland's reunification, to drafting the Hong Kong and Macao Basic Laws, and to maintaining stability and prosperity. We believe that in the coming years Hong Kong and Macao compatriots will, in the spirit of cherishing love for the motherland, Hong Kong, and Macao, continue to unite closely, to help each other for the same aim, and to make more outstanding contributions to the prolonged stability and prosperity of Hong Kong and Macao.

Macao

Beijing Announces Support for New Airport

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[By Harald Bruning in Macao]

[Text] China has given its "unequivocal political support" to the proposed Macao airport project, acting Governor Francisco Nabo said yesterday.

Returning from a nine-day visit to Portugal, Mr Nabo also listed among his achievements an agreement between Portugal and China on making Chinese an official language in Macao during the transition period before the changeover to Chinese rule in 1999.

Chinese will become Macao's second official language before the end of the year.

The acting governor stressed that questions about the proposed Macao airport project "are merely technical and not at all political" between Portugal and China.

Mr Nabo also revealed that Chinese Foreign Minister Qian Qichen, who visited Lisbon at the same time, had agreed to a request by his Portuguese counterpart to hold technical talks on the airport project "if necessary".

Mr Nabo said he would decide by the end of next week if it would be necessary to send a joint Portuguese-Macanese airport team to Beijing.

Construction on the 4.5 billion pataca, single-runway airport, off Taipa island, began last September.

The Macao government complained earlier this year that the project was suffering from a six-month delay due to Chinese objections against alleged noise pollution the airport would cause to nearby Zhuhai special economic zone, and to insufficient sand supply from Guangdong province for the huge land reclamation required for the project.

Chinese representatives, such as Hong Kong and Macao Affairs Office director Lu Ping, have rejected any Chinese responsibility for the half-yearly delay, hinting that Portugal was to blame for the slow construction.

It was especially Mr Lu who responded to the Portuguese complaints by arguing last month that China had given the go-ahead to the Macao airport project "back in 1979".

Mr Nabo also confirmed that both Mr Lu and his predecessor, Ji Pengfei, would pay him a courtesy call tomorrow.

Mr Nabo stressed that the visit by Mr Lu and Mr Ji to Macao was private.

The two Chinese representatives will visit Macao from today to March 3, at the invitation of the Macao Basic Law Consultative Council.

Mr Nabo conceded, however, that Portugal's President Mario Soares would discuss the issue of the appointment

of a new governor with Legislative Assembly chairman Carlos Assumpcao in Lisbon early next month.

Mr Nabo pledged until the posting of the new governor to Macao that he and his cabinet would continue "without any break in rhythm" their administration of the enclave. He said he would remain until April.

Mr Nabo has been acting governor of Macao since September 27 last year, the day when the then governor, Carlos Melancia, was forced to resign after formal charges of passive corruption against him by Portugal's chief public prosecutor.

Among those said to be well positioned in the race for governor of Macao are Portugal's Commissioner Against Corruption, reserve army officer Costa Braz, and also acting governor Mr Nabo.

This is in spite of the latter's repeatedly expressed insistence that he was keen to return to Portugal for personal and professional reasons.

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